

TATA COMMUNICATIONS



A New World of Communications™

Annual Report 2014-2015



Being part of Tata Communications
is being part of...

A global workforce

8,517
Employees

17.5%
Outside India

35.7
Average age

A global vision

Emerging
markets
INDIA, CHINA,
AFRICA,
MIDDLE EAST

A NEW WORLD OF
COMMUNICATIONS™

Tata Communications
creates A New World of
Communications™ to drive
our customers' leadership,
leveraging IP technology
in future markets

Converged
IP solutions

Managed
Services

A global position

#1 Enterprise data in India

#1 Wholesale connectivity globally

#1 International wholesale voice

www.tatacommunications.com | [@tata_comm](https://twitter.com/tata_comm)
<http://tatacommunications-newworld.com> | www.youtube.com/tatacomms

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Tata Communications Limited

TWENTY NINTH ANNUAL REPORT 2014-15

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CORPORATE DETAILS**BOARD OF DIRECTORS**

Mr. Subodh Bhargava (Chairman) (Independent)
Mr. Vinod Kumar (Managing Director and Group CEO)
Mr. N. Srinath
Mr. Kishor A. Chaukar
Dr. Ashok Jhunjhunwala
Dr. Uday B. Desai (Independent)
Mr. Ajay Kumar Mittal
Mr. Saurabh Kumar Tiwari
Mr. Bharat Vasani
Ms. Renuka Ramnath (Independent)
Dr. Gopichand Katragadda

Mr. Satish Ranade

Ms. Pratibha K Advani

Company Secretary & Legal Advisor

Chief Financial Officer

REGISTERED OFFICE

VSB, Mahatma Gandhi Road, Fort, Mumbai – 400 001,
Tel : +91 22 6657 8765, Fax : +9122 6639 5162,
Email : help@tatacommunications.com,
Website : www.tatacommunications.com.

CORPORATE OFFICE

Plot No. C21& C36, 'G' Block, Bandra Kurla Complex, Mumbai – 400 098.

BANKERS

Abu Dhabi Commercial Bank
ANZ Bank
Axis Bank
Bank of America
Bank of Baroda
Bank of India ING
Bank of Nova Scotia, BBVA
Citibank Inc.
Deutsche Bank
Development Bank of Singapore (DBS)
Federal Bank
HDFC Bank Ltd.

Hongkong & Shanghai Banking Corporation (HSBC)
ICICI Bank Ltd.
Indian Bank
Indian Overseas Bank
Indusind Bank Ltd.
Kotak Mahindra Bank Ltd.
Societe Generale Bank
Standard Chartered Bank
State Bank of India
Syndicate Bank
Yes Bank Ltd

LEGAL ADVISORS

Khaitan & Co., Mumbai

STATUTORY AUDITORS

S.B. Billimoria & Co., Chartered Accountants

**REGISTRARS &
TRANSFER AGENTS**

Sharepro Services (India) Pvt. Ltd.
13 AB, Samhita Warehousing Complex, 2nd Floor,
Near Sakinaka Telephone Exchange, Andheri Kurla Road
Andheri (East), Mumbai - 400 072.
Tel : (022) 67720300/400.
Fax : (022) 26591586, 28508927.
E-mail : sharepro@shareproservices.com

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of Tata Communications Limited (the "Company") will be held at 1100 hours on Tuesday, 29 September 2015, at NSE Auditorium, Ground Floor, The National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 to transact the following business:

Ordinary Business

1. To receive, consider and adopt:
 - a) the audited Standalone Financial Statements of the Company for the financial year ended 31 March 2015, the Report of the Board of Directors and the Auditors' Report thereon; and
 - b) the audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2015 and the Auditors' Report thereon
2. To declare dividend for the financial year 2014-15.
3. To appoint a Director in place of Dr. Ashok Jhunjhunwala who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. N. Srinath who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and the resolution passed by the Shareholders at the 28th Annual General Meeting held on 4 August 2014, the Company hereby ratifies the appointment of M/s. S.B. Billimoria & Co., Chartered Accountants (Firm's Registration No. 101496W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next and Thirtieth AGM of the Company on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors, plus reimbursement of service tax, travelling and out of pocket expenses."

Special Business

6. To consider and, if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT Ms. Renuka Ramnath (DIN 00147182), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 8 December 2014 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act 2013 ("Act") but who is eligible for appointment and has consented to act as a director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company"

"RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Act, as amended from time to time, appointment of Ms. Renuka Ramnath (who meets the criteria of independence) as provided in Section 149(6) of the Act as an Independent Director of the Company, not liable to retire by rotation, for a term commencing with effect from 8 December 2014 till 7 December 2019 be and is hereby approved."
7. To consider and, if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Dr. Gopichand Katragadda (DIN 02475721) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 26 March, 2015 and who holds office only upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act 2013 (“Act”) and in respect of whom a notice under Section 160 of the Act has been received by the Company from a member signifying his intention to propose Dr. Katragadda as a candidate for the office of director, be and is hereby appointed as Director liable to retire by rotation.”

8. To consider and, if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company Mr. Jugal Kishor Puri, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To consider and, if thought fit, to pass with or without modifications the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to Section 197 and other applicable provisions, if any, of the Companies Act 2013 (“Act”) and pursuant to the provisions of Clause 49(II)(C) of the Listing Agreement, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198 and any other applicable provisions of the Act, be paid to and distributed amongst the directors of the Company or some or any of them (other than the whole-time directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors or any Committee formed by the Board of Directors and entrusted with such responsibilities, and such payments shall be made in respect of the profits of the Company for each year of the period of five years commencing 1 April 2015.”

By Order of the Board of Directors

Satish Ranade

Company Secretary

Mumbai, 31 August, 2015

CIN: #L64200MH1986PLC039266

Registered Office:

VSB, M.G. Road,

Fort, Mumbai - 400 001.

NOTES :

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 to 9 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 6 and 7 of the Notice, are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT

OF THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND THEN SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. Registers of members and transfer books of the Company shall remain closed from Saturday, 26 September 2015 till Tuesday, 29 September 2015 (both days inclusive) for the purpose of ascertaining eligibility to dividend.
4. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be paid on or after Monday, 5 October 2015:
 - (i) to those shareholders whose names appear on the Company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Registrar & Transfer Agents (R&T Agents) of the Company on or before Friday, 25 September 2015.
 - (ii) in respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business on Friday, 25 September 2015. In respect of shares held in demat mode the dividend will be paid on the basis of beneficial ownership as per details to be furnished by NSDL and CDSL for this purpose.
5. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
6. This may be taken as notice of declaration of dividend for 2014-15 in accordance with the Article 93 of the Articles of Association of the Company in respect of dividend for that year when declared.
7. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, dividends which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund established by the Central Government. The Members and Shareholders who have not encashed their dividend warrant(s) so far for the financial year ended 31 March 2009 or any subsequent financial years are requested to make their claim to the R & T Agents of the Company. According to the provisions of the Act, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims. The summary of the unpaid dividend for the past years and the date on which the outstanding amount shall be transferred to Investor Education and Protection Fund on the dates as given in the table below.

Date of AGM	Balance as on 30 June 2015 (₹)	Dividend for the year	Transfer to Investor Education & Protection Fund
7 August 2009	6,33,510.00	2008-09	8 September 2016
6 August 2010	Not Applicable	2009-10	Not Applicable
11 October 2011	4,64,972.00	2010-11	12 November 2018
27 July 2012	5,10,152.00	2011-12	28 August 2019
26 July 2013	7,52,997.00	2012-13	27 August 2020
4 August, 2014	9,65,974.50	2013-14	5 September 2021
Total	33,27,605.50		

8. As per Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the R & T Agents of the Company.
9. Members are requested to notify any change in their addresses immediately, in any event not later than Friday, 25 September 2015, so as to enable us to dispatch the dividend warrants at the correct addresses:
 - a) In case of physical shares to the R & T Agents, M/s Sharepro Services (India) Private Limited, 13 AB, Samhita

Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Andheri East, Mumbai - 400072.

- b) In case of shares held in demat form to their depository participants (DPs).
10. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the R&T Agent/Depositories.
12. VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Companies Act 2013 and the Rules framed thereunder and the clause 35B of the listing agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice. In order to enable the Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for e-voting are given hereinbelow. Resolution(s) passed by Members through Ballot Forms or e-voting is / are deemed to have been passed as if they have been passed at the AGM.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
- i. Open the e-mail and also open PDF file namely "TCL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsd.com>.
 - iii. Click on Shareholder - Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vi. Once the e-voting home page opens, click on: e-voting > Active Voting Cycles.
 - vii. Select "EVEN" (E-Voting Event Number) of Tata Communications Limited which is 102628. Now you are ready for e-voting as Cast Vote page opens.
 - viii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - x. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xi. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mehul.shah@khaitanco.com, with a copy marked to evoting@nsdl.co.in.
 - xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsd.com or call on toll free no.: 1800-222-990.

- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- C. Other Instructions:
- i. The e-voting period commences on Friday, 25 September 2015 (9.00 a.m. IST) and ends on Monday, 28 September 2015 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 22 September, 2015 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
 - ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, voting through ballot form, as well as voting at the meeting through ballot.
 - iii. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.
 - iv. Mr. Mehul Shah, Advocate, Khaitan & Co., has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
 - v. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
 - vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tatacommunications.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.
 - vii. Members who do not have access to e-voting facility can also request well in time for physical copy of the Ballot Form by sending an e-mail to investor@tatacommunications.com by mentioning their Folio / DP ID and Client ID. Members may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Company, Mr. Mehul Shah, Advocate, Khaitan & Co., (Scrutinizer) at Sharepro Services (India) Private Limited, (Unit : Tata Communications Limited), 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021 in any event not later than Saturday, 26 September 2015 (5.00 p.m. IST). Any ballot form received after the above time and date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
 - viii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tatacommunications.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

Annexure to the Notice dated 31 August, 2015**The Statement of Material Facts pursuant to Section 102(1) of the Companies Act, 2013.****In respect of Item No. 5**

This Statement is provided though strictly not required as per Section 102 of the Act.

At the 28th Annual General Meeting of the Company held on 4 August 2014, the shareholders had appointed M/s. S.B. Billimoria & Co., Chartered Accountants (Firm Registration No. 101496W) as the statutory auditors of the Company to hold office from the conclusion of the 28th Annual General Meeting till the conclusion of the 31st Annual General Meeting to be held in the year 2017. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM.

In view of the above, M/s. S.B. Billimoria & Co., being eligible for re-appointment it is proposed that the Shareholders may ratify the appointment of M/s. S.B. Billimoria & Co. as Statutory Auditors from the conclusion of this AGM till the conclusion of the next AGM.

The Board commends the Resolution at Item No. 5 for approval by the Members.

None of the Directors and Key Managerial Personnel (KMP) or relatives of directors and KMPs are concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

In respect of Item No. 6

On recommendation of the Nomination & Remuneration Committee, Ms. Renuka Ramnath was appointed by the Board of Directors as an Additional Director of the Company as also an Independent Director to hold the office for a period of 5 years from 8 December 2014 till 7 December 2019, not liable to retire by rotation, subject to approval of the Shareholders. Ms. Ramnath, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, satisfies all the criteria prescribed by the Companies Act 2013 as also by the Listing Agreement for being considered as Independent Director.

Pursuant to the provisions of Section 161 of the Act, being an Additional Director, Ms. Renuka Ramnath will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed a Director of the Company. The Company has received notice in writing under Section 160 of the Act from a member along with the requisite deposit of ₹1,00,000/- proposing the candidature of Ms. Renuka Ramnath for the office of Director.

The Company has received from Ms. Renuka Ramnath (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164 (2) of Act (iii) A declaration to the effect that she meets the criteria of independence as provided in Section 149 (6) of Act.

The resolution seeks the approval of the members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Ms. Renuka Ramnath as an Independent Director of the Company for a period commencing from 8 December 2014 till 7 December 2019.

In the opinion of the Board, Ms. Renuka Ramnath is a person of integrity and possesses relevant expertise and experience and fulfils the conditions for appointment as an Independent Director as specified in the Companies Act 2013 and the Listing Agreement. A copy of the letter of appointment of Ms. Renuka Ramnath as an independent director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM. The profile and specific areas of expertise of Ms. Renuka Ramnath is provided below.

If appointed, Ms. Renuka Ramnath will act as a non-executive Independent director, not liable to retire by rotation.

Keeping in view the experience and expertise, her appointment as Independent Director of the Company is recommended.

Except for Ms. Renuka Ramnath, none of the Directors and Key Managerial Personnel (KMP) or relatives of directors and KMPs are concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

Brief profile of Ms. Renuka Ramnath is given below:

Ms. Renuka Ramnath is one of the most experienced private equity fund managers in India with a full cycle track record of investing capital raised from Institutions of global repute. She played a pivotal role in shaping the Indian private equity market both in terms of leading pioneering investments as well as opening new pockets of capital for investment into India.

For close to three decades in financial services, Ms. Ramnath successfully built several businesses in the ICICI Group including Investment Banking, e-commerce and private equity. As the MD & CEO of ICICI Venture for close to a decade, she led that firm to become one of the largest private equity funds in India.

Ms. Ramnath turned an entrepreneur to set-up Multiples in 2009. Multiples is a \$ 800 million Independent private equity fund that has the rare distinction of been backed by 15 Indian and global institutions. Ms. Ramnath draws immense satisfaction from the fact that she has over several years guided and supported entrepreneurs to build successful businesses and create valuable enterprises.

Given Ms. Ramnath's contribution to the industry, she has been featured in many prestigious listings, including the Top 25 Most Powerful Women in Business (Business Today, India); India's most Powerful CEO's (Economic Times), the Top 25 Non Bank Women in Finance (US Banker's global list), Asia's Women in the Mix: The Year's Top 50 for Achievement in Business (Forbes), #17 in India's Most Powerful Women in Business - 2014 (Fortune), and the Top 25 women in Asian asset management (Asian Investor).

Ms. Ramnath holds a Bachelor of Engineering from VJTI, University of Mumbai and an MBA from the University of Mumbai. She has also completed the Advance Management Programme from the Harvard Business School.

In respect of Item No. 7

Dr. Gopichand Katragadda was appointed as an Additional Director on the Board with effect from 26 March 2015 under Article 66B of the Articles of Association of the Company. Under Section 161 of the Companies Act 2013 and under the said Article, Dr. Katragadda holds office upto the date of the forthcoming Annual General Meeting. Dr. Katragadda is eligible for appointment as a director of the Company and the Company has, pursuant to Section 160 of the Companies Act, 2013 received a notice in writing proposing his candidature for appointment.

In the opinion of the Board, Dr. Katragadda is a person of integrity and possesses relevant expertise and experience and fulfils the conditions for appointment as a director as specified in the Act and the Listing Agreement.

If appointed, Dr Katragadda will act as a non-executive director, liable to retire by rotation.

Keeping in view the experience and expertise, his appointment as Director of the Company is recommended.

Except for Dr. Katragadda, none of the Directors and Key Managerial Personnel (KMP) or relatives of directors and KMPs are concerned or interested in the Resolution at Item No. 7 of the accompanying Notice.

Brief profile of Dr. Gopichand Katragadda is given below:

Dr. Gopichand Katragadda is the Group Chief Technology Officer for Tata Sons Limited. In this role, Dr. Katragadda drives technology and innovation for the Tata conglomerate leveraging cross-company synergies. He is a director on the boards of select Tata Companies.

Previously, as the Chairman and Managing Director of GE India Technology Centre, he facilitated funding of cross-business innovation, championed the commissioning of new research labs, developed research teams, and helped build GE's largest R&D Centre - the John F. Welch Technology Centre (JFWTC). Under his leadership, the JFWTC team was contributing to over 300 US patents a year. Dr. Katragadda also served as the chairman for GE-BEL.

Before joining GE, Dr. Katragadda worked with Karta Technologies, San Antonio, Texas, as Vice President of Research and Development. At Karta, Dr. Katragadda led the development of advanced sensor technology for US government agencies and research consortiums. He also was an Adjunct Professor at the University of Texas and served on the Board of Directors for Texas Public Radio.

Dr. Katragadda provides the voice of technology for various Industry bodies in India including CII and NASSCOM. He is the India Chair for the Technology track of the Indo-UK Joint Economic and Trade Committee, which facilitates the Government to Government negotiations on market liberalization. Dr. Katragadda chairs the India Development Panel and is a Fellow of the Institute of Engineering and Technology. He is on the India Council for the Anita Borg Institute. He is a GE Certified Six Sigma Master Black Belt. Dr. Katragadda has over 30 publications and 5 patents. He has authored a book on innovation "SMASH," published by Wiley.

Dr. Katragadda holds MS and PhD degrees in Electrical Engineering from Iowa State University, Ames, Iowa.

In respect of Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Jugal Kishor Puri, Cost Accountants, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March 2016. Accordingly, under the authority from the Board of Directors, the remuneration of the Cost Auditors was fixed at ₹ 5,50,000/- plus out of pocket expenses on actual basis subject to a maximum of ₹ 55,000/-. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, the resolution at Item No.8 is placed before the shareholders for ratification.

None of the Directors and Key Managerial Personnel (KMP) or relatives of directors and KMPs are concerned or interested in the Resolution at Item No. 8 of the accompanying Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

In respect of Item No. 9

Taking into consideration the responsibilities of the directors, it is proposed that in terms of Section 197(1)(ii) of the Companies Act 2013, one per cent of the net profits of the company for any particular year, computed in the manner laid down in section 198 of the Act may be paid to those directors who are not whole-time directors. Such remuneration can be paid as commission to the non-whole time directors.

Under the provisions of Clause 49(II)(c) of the Listing Agreement, all fees/compensation (except sitting fees), if any, paid to the non-executive directors including independent directors shall be fixed by the Board of Directors and shall require previous approval of the Shareholders in general meeting. The consent of the Members and Shareholders of the Company is therefore being sought pursuant to the provisions of the Listing Agreement and the Companies Act 2013.

All the directors of the Company except the Managing Director, are concerned or interested in the resolution set out at Item No. 9 of the Notice to the extent of the remuneration that may be received by them. The Key Managerial Personnel and their relatives are not concerned or interested in this resolution.

By Order of the Board of Directors
Satish Ranade
Company Secretary

Mumbai, 31 August, 2015
CIN: #L64200MH1986PLC039266

Registered Office:

VSB, M.G. Road,
Fort, Mumbai - 400 001.

Details of Directors Seeking Appointment / Re-Appointment at the 29th Annual General Meeting

Particulars	Dr. Ashok Jhunjunwala	Mr. N Srinath	Ms. Renuka Ramnath	Dr. Gopichand Katragadda
Date of Birth	22 June 1953	8 July 1962	14 September 1961	8 May 1968
Date of Appointment	25 October 2008	13 May 2002	8 December 2014	26 March 2015
Qualifications	B.Tech degree from IIT, Kanpur, MS and Ph.D degrees from the University of Maine	B.E. (Mech) IIT Chennai, MBA IIM Kolkatta	BE from VJTI, University of Mumbai. MBA from the University of Mumbai. Advance Management Programme from the Harvard Business School.	MS and PhD degrees in Electrical Engineering from Iowa State University, Ames, Iowa.
Expertise in Specific Functional Area	General Management	General Management	General Management	General Management
Directorships held in other Public Companies (excluding foreign, private companies and Section 8 companies)	7	6	8	2
Memberships/Chairmanships of Committees in other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	6	2	1	NIL
Shareholding In TCL	500 equity shares	NIL	NIL	NIL
DIN	00417944	00058133	00147182	02475721

DIRECTORS' REPORT

Dear Shareholders,

The directors present the 29th Annual Report and audited financial statements of Tata Communications Limited (the 'Company') for the financial year ended 31 March 2015. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

PERFORMANCE

The key financial parameters of the Company during the year under review are given in the table below:

	2014-15 (₹ in Crores)	2013-14 (₹ in Crores)	Percentage Change
Consolidated continuing total income	18,264.42	17,848.62	2.33%
Consolidated continuing total EBITDA	2,456.94	2,432.40	1.01%
Profit before taxes from continuing operations	506.29	503.66	0.52%
Net profit from continuing operations before minority interest	135.83	160.38	-15.31%
Loss from discontinuing operations	(132.74)	(57.56)	130.61%
Consolidated profit after tax	1.29	101.42	-98.73%
Standalone total income	4,989.88	4,840.35	3.09%
Standalone profit before tax	1,003.27	803.48	24.87%
Standalone profit after tax	674.62	542.43	24.37%

On a Standalone basis, profit after tax during the year under review improved to ₹674.62 crores from ₹ 542.43 crores last year. The consolidated profit after tax was ₹1.29 crores against ₹101.42 crores in the previous year. The consolidated profit figures for the year are after taking into consideration the loss of ₹171.64 crores (₹136.06 crores in FY13-14) of Tata Communications Payment Solutions Ltd (TCPSL) a 100 % subsidiary of the Company which is in its gestation period. Of the Company's total consolidated revenues, 27% (25% in FY 13-14) came from India. The rest of the world contributed 73% or ₹13,140.04 crores of the total continuing operations revenue against 75% or ₹ 13,280.03 in the previous year.

The consolidated accounts for 2014-15 have been drawn up using management accounts (pending completion of audit) of one of the Company's foreign subsidiaries, Neotel Pty. Ltd. Therefore, the Company's statutory auditors have issued a qualified Audit Report for the year.

Dividend

The directors are pleased to recommend a dividend of ₹5.50 per share (₹4.50 per share last year) for the financial year ended 31 March 2015, subject to the approval of the shareholders at the upcoming annual general meeting.

Transfer to Reserves

On a standalone basis, the Company proposes to transfer ₹407.46 crores to the general reserve out of the amount available for appropriation and an amount of ₹1,726.94 crores is proposed to be retained in the Company's profit and loss account.

OPERATIONS

Segment Distribution

Over the last few years, Tata Communications has been successful in its goal of diversifying revenues, to tap new opportunities and reduce any risks of an overly concentrated portfolio. Accordingly, the revenues are now broadly diversified across data and voice products and across business segments, especially by taking advantage of greater opportunities in the data market in new segments such as media and entertainment, financial services, health care, etc. During 2014-15, consolidated continuing operations revenue from voice services contributed 49% (53% last year) of total revenue and data services contributed 51% (47% last year). This is discussed in details in the Management Discussions & Analysis which forms a part of this report.

Voice

In the voice business, Tata Communications remains one of the largest players worldwide. The trend of declining margins continues due to traffic shifting to VoIP-based calling. Therefore, Tata Communications is focused on developing innovative commercial offerings and optimizing costs to maintain free cash flow generation from this business. During the year under review total voice traffic fell by 13% over the previous year, while EBITDA margins have declined by 19% and EBITDA declined 23%. Free cash flow or (EBITDA less capex) generated during the year from the voice business was ₹608 crores (₹804 crores in the previous year).

Data

Data continues to present substantial opportunities for Tata Communications to achieve rapid growth and improved profitability. Over the years, Tata Communications has moved from being a traditional connectivity services provider, largely in India, to a truly global services provider – offering a broad range of managed communication and collaboration services as well as IT infrastructure services. The data business has continued its robust momentum, with data revenues growing in double digits during 2014-15. The launch of cloud enablement solutions such as IZO™ services, coupled with network and data center services, helped the Tata Communications to grow its data portfolio and strengthen its presence in this high-growth business. Tata Communications has also been strengthening its unified communications services portfolio encompassing all forms of communications, as well as its industry solutions for the Media & Entertainment sector and the Banking & Financial Services sector. The Company's strategy of expanding into managed services continues to pay off, as managed services now contribute 36% to the data services segment (35% last year).

Neotel (Disclosed as Discontinuing Operations)

Neotel is a subsidiary of the Company in South Africa. In May 2014, the shareholders of Neotel and Vodacom SA concluded an agreement on the commercial structure and terms to proceed for Vodacom to acquire 100% of the shares of Neotel valued at an enterprise value of ZAR 7.0 billion. The structure of the deal and its commercial terms remain subject to necessary approvals of regulatory and competition authorities.

Human Resources

Tata Communications worldwide has a multicultural workforce, with people of more than 40 nationalities on its rolls, while women constitute 18% of the workforce. The compensation and employee benefit practices of Tata Communications are designed to be competitive in the respective geographies where it operates. Employee relations continued to be harmonious at all our locations, through continuous dialogue and openness. The number of training person days provided to employees increased by 26.72% over the previous year, to a total of 42260 days.

Tata Communications has zero tolerance for sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As on 31 March 2015, out of the two complaints on sexual harassment received during the year, one complaint has been resolved with appropriate action taken and one complaint remained pending.

Business Excellence

The Company has progressed in its endeavors to transform itself in tandem with market and regulatory changes, using as its framework the Tata Business Excellence Model (TBEM), which has been devised based on the Baldrige Excellence Framework. The Company has been classified as an "Emerging Industry Leader" following a rigorous assessment conducted by Tata Quality Management Services.

In the financial year 2014-15, for the second year in a row, Tata Communications has been positioned as a leader in the Gartner Magic Quadrant for network services -global, a testament to its ongoing commitment to driving its network capabilities forward, while extending coverage in both developed and emerging markets.

Enterprise Risk Management

The Company has established an enterprise-wide risk management (ERM) framework to optimise the identification and management of risks globally and to comply with clause 49 of the listing agreement with Indian stock exchanges. In line with the Company's commitment to delivering sustainable value, this framework aims to provide an integrated and organized

approach for evaluating and managing risks.

There are no elements of risk, which in the opinion of the Board may threaten the existence of the Company.

Risk-based Internal Audit

The risk assessments performed under the ERM exercise are a key input for the annual internal audit programme, which covers Tata Communications' various businesses and functions. This approach provides adequate assurance to the management that the right areas are covered under the audit plan.

CORPORATE MATTERS

Subsidiary Companies

The Company had 42 subsidiaries as on 31 March 2015 and two associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries and associate companies.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

During the year, the process of closure of the following wholly-owned indirect subsidiaries, which were not in operation, was completed:

- a. TCNL 1 B.V. (w.e.f. 26 August 2014)
- b. TCNL 2 B.V. (w.e.f. 26 August 2014)

During the year, in order to optimize the subsidiary structure, a wholly-owned indirect subsidiary, BitGravity Inc. was merged with another wholly-owned indirect subsidiary Tata Communications (America) Inc.

During the year, the Company incorporated a wholly-owned indirect subsidiary in China named Tata Communications (Beijing) Technology Limited.

In May 2014, the shareholders of Neotel and Vodacom SA concluded an agreement to acquire 100% of the shares of Neotel. On 17 June 2014, Neotel Pty. Ltd. (together with

all its shareholders) and Vodacom Proprietary Limited (Vodacom) submitted an application to the Independent Communications Authority of South Africa (the Authority) for approval in respect of the proposed acquisition by Vodacom of the entire issued share capital of Neotel (the application). The Authority has commenced with the public consultation process alluded to above.

Investment in Tata Teleservices Limited

The Company was informed about the decision taken on 25 April 2014 by the Board of Directors of NTT DoCoMo, Inc. of Japan (NTT) to exercise the sale option in respect of Tata Teleservices Limited (TTSL) shares under the terms of a legal agreement and the option was required to be exercised by 30 June 2014. Prevailing regulations permit a company to acquire shares from a non-resident only at a valuation based on the prescribed method.

In terms of agreements entered into in 2008-09, the Company was entitled to and had sold to NTT part of its stake in TTSL at ₹ 116.09 per share resulting in a profit of ₹ 346.65 crores in that year. According to the sale agreement, the Company, along with other selling shareholders of TTSL, may be obligated to indemnify NTT against claims arising from the possible failure of certain representations and from specified contingent liabilities. The amount in the case of failure of certain representations is not determinable, while the Company is liable to pay up to ₹ 39.86 crores towards specified contingent liabilities. With NTT deciding to divest its entire shareholding in TTSL and a buyer not being found for such shares, the Company along with other selling shareholders of TTSL may be obligated to acquire the entire stake from NTT at the higher of the fair value or ₹ 58.05 per share i.e. 50% of the subscription purchase price subject to compliance with applicable laws and regulations. Should NTT decide to divest its entire shareholding in TTSL at a lower price, then, the Company along with other selling shareholders of TTSL may be obligated to indemnify any loss by way of a monetary compensation equal to the difference between such lower sale price and the price referred to above subject to compliance with applicable exchange control regulations. Tata Sons Limited has informed the Company that NTT has filed a request for arbitration with the London Court of International Arbitration alleging breach by Tata Sons Limited of its obligations under the shareholders agreement. Tata Sons Limited has filed its response to the said request for arbitration and has communicated the name of its nominee arbitrator. Please see Note No.36(a)(5) of standalone Notes to Accounts and Note No.40(a)(4) of the consolidated notes to accounts.

Compliance under the Companies Act 2013 (“Act”) and additional SEBI stipulations

The Act came into force substantially from 1 April 2014. Also, SEBI in its master circular dated 17 April 2014 notified additional requirements on corporate governance which became effective from 1 October 2014. These requirements substantially increase the compliance requirements for companies.

As on the date of this Report, the Board comprised 11 directors, out of whom three were independent. As reported to the Indian stock exchanges, in February 2002, when the Government of India (Gol) transferred 25% of its stake in the Company to the strategic partner, a shareholders agreement and a share purchase agreement were signed. The said agreements, inter alia, set forth the rights and obligations of the strategic partner and the Gol including appointment of directors on the Board of the Company. The relevant clauses from the agreements were incorporated in the articles of association of the Company. Under the articles of association and in accordance with the agreements referred above, the Board is to comprise of 12 directors, four of whom must be independent. The Gol and the strategic partner are entitled to recommend two independent directors each. The Gol has been in the process of recommending the name of the other independent director. The Company and the Board have been vigorously pursuing with the Gol to recommend the name of one more independent director so as to fill in this vacancy. Until the recommendation is received from the Gol enabling the Board to appoint one more independent director, the Company will not be able to be compliant with Clause 49(IA)(ii) of the listing agreement.

As per the listing agreement, the Company is required to send to the stock exchanges, consolidated annual accounts within 60 days of the end of the financial year. The Company was not able to file its annual accounts with the stock exchanges within the stipulated time as one of the foreign subsidiaries of the Company, Neotel Pty. Ltd. and its associated companies were not able to finalize their audited accounts within that time. Neotel continues to work with its auditors to resolve the outstanding issues and hopes to be in a position to finalize its audited financial statements. In compliance with the SEBI circular dated 30 September 2013, the Company has paid the specified fines imposed by the stock exchanges for the delay in filing of annual accounts with the stock exchanges. On 28 July 2015, rather than further delaying the release of the consolidated financial

statements, the Company finalized its annual accounts using the management accounts for Neotel. For this reason, the Company's statutory auditors have issued a qualified audit report on the consolidated financial statements.

PENDING MATTERS OF SIGNIFICANCE

Surplus Land

Under the terms of the share purchase and shareholders' agreements (SHA) signed between the Government of India (Gol) and the strategic partner (SP) at the time of disinvestment, it was agreed that certain identified land in the ownership of the Company would be demerged into a separate company. It was further provided that if, for any reason, the Company cannot hive off or demerge the said surplus land into a separate entity, alternative courses that were also stipulated in the SHA would be explored. A draft scheme of demerger was presented to the Board in April 2005, which was forwarded to the Gol with the Board's observations. The Board/management have been exploring other alternatives also with the Gol and SP. The Gol has informed the Company that it is willing neither to invest in any further equity of the Company nor will it allow dilution of its stake in the Company. This has resulted in the Company not being able to avail of any non-debt funding through issue of equity since 2002. The Company has been regularly following up the matter with the Gol and has addressed several communications and held several meetings with both the Gol and SP highlighting the urgency for resolution and also the need for non-debt funding. To accomplish demerger of the surplus land in accordance with such scheme of demerger, the SP incorporated Hemisphere Properties India Limited (HPIL) sometime in 2005-06 to hold the surplus land as and when demerged. In March 2014, the Gol acquired 51.12% shares in HPIL making it a Government company. It is understood that the Gol will send its modifications to the draft scheme of arrangement of demerger of surplus land, which will be placed before the boards of the Company and HPIL.

Out of the total land purchased by the Company (then Videsh Sanchar Nigam Limited) in 1986 from the Government of India as the successor of Overseas Communications Service, 773.13 acres of land at different locations was initially identified as 'surplus' land for demerger as per the SHA.

As mentioned below in this report, land measuring ~2.6 acres has been acquired in Greater Kailash - I, Delhi for Delhi Metro Rail Corporation Limited (DMRC) for the Delhi Metro work, out of which ~21% (i.e. ~0.54 acres) falls within surplus land.

As reported earlier, 32.5 acres of land situated at Padianallur was transferred in July 2009 to the VSNL Employees Cooperative Housing Society, Chennai (society) as per the order of the Hon'ble Delhi High Court. As this land was part of the identified surplus land, the SP has written to the Gol to exclude the 32.5 acres of land so transferred to the society, from the 773.13 acres mentioned in the SHA as the land identified to be demerged.

The Company owns at Dighi, Kalas and other villages near Pune 774 acre of land. Out of this land (Pune land), 524 acres were identified as surplus as per the SHA. In 1940, approximately 94 acres out of the Pune land were given to the Ministry of Defense on lease for duration of the war, which land falls within the land identified as surplus land. As then agreed, the Ministry of Defense had been paying annual rent for occupying this land till 31 March 2006. The Company has been following up with the Ministry of Defense for release of rent due, since 1 April 2006. On 31 July 2010 the said Ministry of Defense informed that the land in its possession was transferred to it in 2007 by the Collector of Pune and therefore rent cannot be paid. Ministry of Defense claims that the land was transferred under the Pune Package Deal by the Government and no compensation is payable. The Company continues to pursue the matter with the Ministry of Defense for compensation.

In view of the above, the quantum of surplus and available for demerger has reduced. The book value of the surplus land is ₹ 0.16 crores.

Premature Termination of Monopoly and Compensation

As reported earlier, the Gol had allowed other players into the international long distance (ILD) business from 1 April 2002, terminating the Company's exclusivity two years ahead of schedule. The Gol gave the Company a compensation package as per its communication dated 7 September 2000; wherein the Gol also gave an assurance that it would consider additional compensation, if found necessary, on a detailed review when undertaken.

However, vide its letter dated 18 January 2002, issued just

before the disinvestment of the Company, the Gol issued a further dispensation and unilaterally declared that the conditions stated in its said letter of 18 January 2002 were to be treated as full and final settlement of every sort of claim against the premature ILD de-monopolisation. The Company filed a claim in the Bombay High Court in 2005. The Bombay High Court, on 7 July 2010, ruled that it did not have the jurisdiction to entertain this suit, in view of the provisions of the Telecom Regulatory Authority of India Act, 1997 (TRAI). Since the Company holds a different opinion, it has preferred an appeal before a division bench of the Bombay High Court on various grounds including that the compensation granted was in breach of promise from the Gol, acting as a policy maker and not as a licensor under the Indian Telegraph Act; that the dispute did not relate to the provision of telecommunication services as envisioned under the TRAI Act; and that the suit was not under, pursuant to and consequent upon the license then granted to the Company. The appeal for hearing admitted by the Bombay High Court is yet to come up.

Delhi Metro Rail Corporation Limited (DMRC) Land Acquisition

In September 2013, DMRC conveyed that as part of the Delhi Metro work, DMRC needs a piece of company's land at Greater Kailash-I, New Delhi. This land parcel measuring ~10489.18 sq metres (2.6 acres) also includes approximately 21% (0.54 acres) surplus land. On 3 January 2014, TCL received an acquisition notice stating award announced by the land acquisition collector (LAC) on 30 December 2013, without giving any details of the award. The Company received the certified copy of the award on 7 February 2014 as per which, the total compensation determined by the LAC is ₹ 188,80,168/- based on indicative price fixed by Govt. of Delhi for agricultural land. Aggrieved, the Company filed a reference petition for proper determination of the compensation with the LAC based on commercial usage of land. Simultaneously, the Company also filed a writ petition with the Delhi High Court challenging the acquisition proceedings. On 24 April 2014, the High Court directed DMRC to deposit the sum of ₹ 247 crores with the Court Registrar which has since been deposited by DMRC. This amount is approximately 80% of the estimated compensation valuation for the acquired property. In the meantime DMRC has commenced construction for the Delhi Metro work on the land. The writ petition as well as the reference petition are pending for disposal.

STATUTORY INFORMATION AND DISCLOSURES

Material Events after Balance-Sheet Date

There has been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2014-15 and the date of this report.

Deposits from Public

The Company has not accepted nor does it hold any public deposits.

Non-convertible Debentures (NCDs)

The Company had ₹210 crores of outstanding NCDs as on 31 March 2015. The trust deeds for the NCDs issued by the Company will be available for inspection by the members at the Company's registered office during normal working hours, 21 days before the date of the 29th annual general meeting.

The Company redeemed ₹190 crores of long term secured and ₹150 crores of unsecured debentures during the year 2014-15. All debentures issued by the Company were rated AA+ by CARE.

Particulars of Employees

The provisions of Section 134 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, require the Company to provide certain details about the remuneration of the employees.

According to the provisions of section 136(1) of the Act, the Directors' Report being sent to the shareholders need not include this information as annexure. The annexure regarding the Particulars of Employees under section 134 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be available for inspection by any member at the registered office of the Company during working hours, for 21 days before the date of the AGM.

Conservation of Energy

The Company has taken a number of steps in improving energy efficiency. More than 80% of the energy is consumed by the data centres. The energy efficiency in data centers in India is measured by PUE- Power Utilization Effectiveness. Over the last 4 years, the PUE has steadily come down from 2.2 to 1.7. The various steps taken include adaptation and implementation of new and improved technology for improving the

air conditioning efficiency and implementing efficient electrical engineering for avoiding UPS energy and power distribution losses.

The Company has also taken steps for utilising alternate sources of energy through on-site solar power plants by installing energy conservation equipment. The Company is also in the process of co-building solar power plants in Tamil Nadu to provide 140 M units of green power by April 2016.

Technology Absorption

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company's operations do not require significant import of technology.

Foreign Exchange Earnings and Outgo

For the purpose of Form 'C' under the said rules, foreign exchange earnings were equivalent to ₹ 1,031.43 crores and foreign exchange outgo was equivalent to ₹ 408.85 crores.

Statutory Auditor's Report

The consolidated financial statements of the Company have been prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements, Accounting Standard 23 on Accounting of Investments in Associates and Accounting Standard 27 on Financial Reporting of Interest in Joint Ventures, issued by the Council of The Institute of Chartered Accountants of India.

The auditors have given a qualified opinion on the consolidated financial statements of the Company, as listed below:

As referred to in note 34 to the consolidated financial statements, the consolidated financial statements include the unaudited consolidated financial information of a subsidiary and its Group consisting its subsidiary and an associate, pending resolution of certain matters resulting from an inquiry into certain transactions undertaken by such subsidiary. Accordingly, the unaudited consolidated financial information consisting of such subsidiary and its Group reflect total assets of ₹ 2,738.13 crores as at March 31 2015, total revenues of ₹ 2,140.25 crores and net cash outflows amounting to ₹ 49.04 crores for the year then ended, as considered in the consolidated financial statements, based on their unaudited consolidated

financial information. These unaudited consolidated financial information has been furnished by the management and our opinion, in so far as it relates to the amounts included in respect of such subsidiary and its Group, is based solely on such unaudited consolidated financial information and consequently we are unable to determine whether any adjustment might be necessary to the consolidated financial statements.

Board's comment:

One of the Company's foreign subsidiaries, Neotel Pty. Ltd., and its associated companies, has been unable to finalise their audited accounts. The issue at Neotel involves potential reportable irregularities identified by its statutory auditors in respect of a particular third party intermediary engaged by Neotel during the third quarter of FY 2014-15 in connection with a customer contract. Upon learning of the auditor's concern, the Board of Neotel appointed an independent firm to investigate the matter.

The Company has since been advised by the Neotel Board that to the best of their knowledge, based on the investigation, there has been no finding of corruption or illegal activities undertaken by employees of Neotel, with the exception of misconduct by one of its employees, who is no longer with Neotel. Pursuant to its obligations under the laws of South Africa, the matter has been referred to the appropriate authorities in South Africa. Neotel continues to work with its auditors to resolve the outstanding issues, and hopes to be in a position to approve its audited financial statements soon.

Based on the current facts, the Company believes that these matters will not have a material adverse effect on its business, financial condition, results of operations or cash flow of the Company. Therefore, the Company finalised its annual accounts using the management accounts for Neotel.

Consequently, the Company was not able to file its annual accounts with the stock exchanges within the stipulated time. In compliance with the SEBI Circular No.CIR/MRD/DSA/31/2013 dated 30 September 2013, the Company has paid the specified fines imposed by the stock exchanges for the delay in filing of annual accounts with the stock exchanges.

Secretarial Auditor's Report

Due to the above, the Independent Secretarial Auditor has made an observation in the secretarial audit report, the comment on which is the same as the comment above.

Particulars of loans, guarantees or investments under Section 186

The particulars of loans, guarantees and investments have been disclosed in the financial statements which also form part of this report.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Financial Controls

The Company has adequate internal financial controls with reference to the preparation and presentation of financial statements which are operating effectively.

Subsidiaries

A statement in Form AOC-I pursuant to first proviso to Section 129 of the Act read with rule 5 of Companies (Accounts) Rules, 2014 containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures forms a part of this report. The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with accounting standard 21 (AS 21) prescribed by the Institute of Chartered Accountants of India, form part of the Annual Report and accounts. The accounts statements of the subsidiaries will be provided on request to any shareholder wishing to have a copy, on receipt of such request addressed to the company secretary at the Company's registered office. These documents will also be available for inspection by any shareholder at the Company's registered office and will be available on the Tata Communications' website.

Changes in the Board of Directors and Key Managerial Personnel

In accordance with the applicable Tata guidelines regarding age limit prescribed for a director, Mr. S. Ramadorai and Mr. Amal Ganguli stepped down from the Board with effect

from 6 October 2014 and 16 October 2014 respectively. The Board places on record its deep appreciation for their contributions and guidance to the Company.

In accordance with the Act and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Ms. Renuka Ramnath was appointed by the Board as an additional director - independent, subject to shareholders' approval. The appointment of Ms. Ramnath, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an independent director, not liable to retire by rotation, to hold the office for a period of 5 years from 8 December 2014 till 7 December 2019, is being placed before the shareholders for approval at the ensuing annual general meeting.

In accordance with the provisions of the Act and the Company's Articles of Association, Dr. Ashok Jhunjhunwala and Mr. N. Srinath retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for reappointment.

Dr. Gopichand Katragadda who was appointed as an additional director holds office only up to date of the this annual general meeting and in respect of whom a notice under the provisions of Section 160 of the Act has been received by the Company from a member signifying his intention to propose Dr. Gopichand Katragadda as a candidate for the office of director liable to retire by rotation.

Mr. Sanjay Baweja, resigned from the office of the Chief Financial Officer with effect from 2 November 2014 and Ms. Pratibha K Advani joined as the Chief Financial Officer from 8 May 2015.

None of the Company's directors are disqualified from being appointed as a director as specified in Section 164 of the Act. For details about the directors, please refer to point 2 of the Report on Corporate Governance.

Declaration of Independent Directors

The independent directors have provided necessary disclosures to the Company that they comply with all the requirements stipulated in Section 149(6) of the Act for being appointed as an independent director.

Particulars of contracts or arrangements with related parties referred to in Section 188 of Act

There have been no materially significant related party transactions between the Company and the directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report.

Number of Meetings of the Board

Six meetings of the Board were held during the year. For details of the meetings, please refer to the corporate governance report, which forms part of this report.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, of Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the listing agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of and contribution to Board processes, adequacy, appropriateness and timeliness of information and the Board's overall functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the members of the respective committees on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, the performance of the non-independent directors, the Board as a whole and of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The consensus on conclusions was discussed in the Board meeting that followed the meeting of the independent directors, at which the performance of the Board, its committees and individual directors was also discussed.

Policy on Directors’ Appointment and Remuneration and Other Details

The Company’s policy on directors’ appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance report, which forms part of the Directors’ Report.

Audit Committee

The details pertaining to composition of the Audit Committee are included in the Corporate Governance Report, which forms part of this report.

Corporate Social Responsibility

The brief outline of the corporate social responsibility (CSR) policy of the Company and the CSR initiatives undertaken during the year are set out in Annexure I of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company.

Extract of Annual Return

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure II in the prescribed Form MGT-9, which forms part of this report.

Particulars of Employees

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-15:**

Non-Executive Directors	Ratio to median remuneration*
Mr. Subodh Bhargava	1.97
Mr. Srinath Narasimhan	0.58
Mr. Kishor Chaukar	1.18
Dr. Ashok Jhunjunwala	0.72
Dr. U.B. Desai	1.76
Mr. Ajay Kumar Mittal [#]	0.78
Mr. Saurabh Tiwari [#]	0.43
Mr. Bharat Vasani	0.63

Non-Executive Directors	Ratio to median remuneration*
Ms. Renuka Ramnath (From 8 Dec 2014)	0.51
Dr. Gopichand Katragadda (From 26 March 2015)	NA
Mr. S. Ramadorai (Up to 6 October 2014) **	NA
Mr. Amal Ganguli (Up to 16 October 2014)	0.64
Executive Director	
Mr. Vinod Kumar	35.63

* While calculating the ratio for non-executive directors, both commission and sitting fees paid have been taken.

** Mr. Ramadorai has not received any remuneration from the Company for FY 2014-15.

The Government directors have informed the Company that they shall not accept any sitting fees and commission as their directorships are considered as part of their official duty.

- b. **The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary *	% increase in remuneration in the financial year
Mr. Subodh Bhargava	43.32
Mr. Srinath Narasimhan	44.29
Mr. Kishor Chaukar	62.83
Dr. Ashok Jhunjunwala	28.74
Dr. U.B. Desai	52.57
Mr. Ajay Kumar Mittal [#]	NA
Mr. Saurabh Tiwari [#]	NA
Mr. Bharat Vasani**	485.71
Ms. Renuka Ramnath (From 8 Dec 2014)	NA
Dr. Gopichand Katragadda (From 26 March 2015)	NA
Mr. S. Ramadorai (Up to 6 October 2014)	NA

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary *	% increase in remuneration in the financial year
Mr. Amal Ganguli (Up to 16 October 2014)	NA
Mr. Vinod Kumar, Managing Director & Group CEO	26.89%
Mr. Satish Ranade, Company Secretary	27.37%
Ms. Pratibha K Advani, Chief Financial Officer (From 8 May 2015)	NA
Mr. Sanjay Baweja, Chief Financial Officer (Up to 2 November 2014)	NA

* Directors and KMPs who have not been in the Company for the entire financial year have not been considered for the calculations.

The Government Directors have informed the Company that they shall not accept any Sitting Fees and commission as their Directorships are considered to be part of their official duty.

** Mr. Bharat Vasani joined the Board w.e.f 16 December 2013. Since he received remuneration only for a part of the financial year 2013-14, the same is not comparable with remuneration that he has received for financial year 2014-15.

c. The percentage increase in the median remuneration of employees in the financial year:
6.96%

d. The number of permanent employees on the rolls of the Company: 3,531

e. The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 11.6%. The individual increments varied from 0% to 20%, based on individual performance. The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects Company performance; the performance pay is also linked to organization performance, apart from an individual's performance.

f. Comparison of the remuneration of the key managerial personnel against the performance

of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY15 (₹crores)	8.84
Revenue (₹ crores)	4319.35
Remuneration of KMPs (as % of revenue)	0.20%
Profit before Tax (PBT) (₹crores)	1003.27
Remuneration of KMP (as % of PBT)	0.88%

g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

- Variations in the market capitalization of the company (31 March 2015 vs. 31 March 2014): 37.4% increase in market capitalization.
- Variations price earnings ratio (31 March 2015 vs. 31 March 2014): 9,683.9% increase in price earnings ratio.

h. Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2015	Open Offer price in April 2002	% Change
Market Price (BSE)	420.75	202	108.29
Market Price (NSE)	422.00	202	108.91

i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 11.6%. However, during the course of the year, the total increase is approximately 12.3%, after accounting for promotions and other event based compensation revisions. Increase in the managerial remuneration for the year was 16.1%.

j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Mr. Vinod Kumar, Managing Director & Group CEO*	Mr. Satish Ranade, Company Secretary	Ms. Pratibha K Advani, CFO (From 8 May 2015)	Mr. Sanjay Baweja, CFO (Up to 2 November 2014)
Remuneration in FY15 (₹crores) *Exclusion of retiral benefits and leave encashment	3.72	1.45	NA	3.66
Revenue (₹crores)	4319.35			
Remuneration as % of Revenue	0.09%	0.03%	NA	0.08%
Profit before Tax (PBT) (₹crores)	1003.27			
Remuneration (as % of PBT)	0.37%	0.14%	NA	0.36%

* Mr. Vinod Kumar as a Chief Executive Officer of one of the Company's wholly-owned foreign subsidiaries, Tata Communications Services (International) Pte. Ltd., has also received a remuneration of Rs.4.64 crores during the year from that subsidiary

k. The key parameters for any variable component of remuneration availed of by the directors:

The members have, at the AGM of the Company on 11 October 2011 approved payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions. The said commission is decided each year by the Board of Directors and distributed amongst the non-executive directors based on the Board evaluation process taking into account their attendance and contribution at the Board and certain committee meetings, as well as the time spent on operational matters other than at meetings.

l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 0.97

m. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

n. Particulars of Employees:

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid

annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the company secretary.

Corporate Governance

Pursuant to Clause 49 of the listing agreement with the stock exchanges, the Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance with conditions of corporate governance form part of the Directors' Report. Pursuant to Clause 55 of the listing agreement with the stock exchanges, business responsibility reports have been included elsewhere in this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s) and the reviews performed by management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of the annual accounts, the applicable accounting standards were followed and there were no material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Awards & Recognitions

Gartner's Magic Quadrant for Network Services, Global

- Tata Communications is positioned in the Leaders Quadrant in this Magic Quadrant for the second year in a row

Frost & Sullivan 2015 Best Practices Award - India ICT Awards

- Enterprise Ethernet Provider of the Year
- Enterprise Data Service Provider of the Year
- Enterprise Telecom Service Provider of the Year - Large Enterprise Segment
- Hosted Contact Centre Service Provider of the Year

Frost & Sullivan 2014 Asia Pacific ICT Award

- Data Communications Service Provider of the Year.

2014 Frost & Sullivan Best Practices Awards

- Asia Pacific UC as a Service Product Line Strategy Award

Frost & Sullivan 2014 India ICT Awards

- Enterprise Data Service Provider of the Year (sixth year in a row)
- Audio Conferencing Service Provider of the Year
- Third Party Data Center Service Provider of the Year
- Enterprise Ethernet Provider of the Year

Current Analysis (US-Based Global Analyst Firm)

- Global IP VPN Service, Priority Ethernet, Dedicated Ethernet - rated as 'strong' in the global data WAN segment
- Wholesale - rated as 'very strong' in the global wholesale segment
- Global Enterprise - rated as 'very strong' in the global enterprise, business network and IT services segment

ACKNOWLEDGMENTS

The directors would like to thank each one of Tata Communications' customers, business associates and other stakeholders globally for their valuable contribution to the Company's growth and success. The directors also recognise and appreciate the passion and commitment of all its employees around the world.

The directors are also grateful to the Company's other stakeholders and partners including its shareholders, promoters (strategic partner and the Gol), bankers and others for their continued support.

On behalf of the Board of Directors

Subodh Bhargava
Chairman

Dated: 28 July 2015
Registered Office:
VSB, MG Road, Fort,
Mumbai - 400001.

ANNUAL REPORT ON CSR ACTIVITIES

- 1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

Tata Communications believes that the primary purpose of a business is to improve the quality of life of people and that a corporate entity exists to serve the society from where it sources its customers and other stakeholders. Hence, it is important to address the needs and concerns of the society in a proactive manner. Tata Communications actively pursues the triple bottom line reporting initiatives (i.e. economic, environmental and social bottom line) as part of its commitment to being a good corporate citizen.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Tata Communications discharges its social responsibilities through assisting communities by actively implementing developmental projects in the thrust areas of education, employability and entrepreneurship. Tata Communications actively contributes towards its identified communities by implementing its CSR programmes through an integrated approach to include drinking water, hygiene/sanitation and digital literacy/inclusion. In line with its commitment to CSR and towards the community as a whole, Tata Communications makes special efforts to include beneficiaries from scheduled castes and scheduled tribes as well as women and girls.

The Company's CSR policy is available on the Company's website at the following link:

<http://www.tatacommunications.com/sites/default/files/Tata%20Communications%20Limited%20-%20CSR%20Policy%2012%20February%202015.pdf>

- 2. The composition of the CSR committee:** The Company has a CSR committee of directors comprising of Mr. Kishor A Chaukar, chairman of the Committee, Mr. Saurabh Tiwari, Ms. Renuka Ramnath and Dr. Gopichand Katragadda.
- 3. Average net profit of the company for last three financial years for the purpose of computation of CSR:** ₹ 490.11 crores.
- 4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above):** ₹ 9.80 crores
- 5. Details of CSR spent during the financial year:**
- a. Total amount to be spent for the financial year:** ₹ 9.80 crores

- b. Amount unspent:** ₹ 4.49 crores
- c. Manner in which the amount spent during the financial year:** Attached

- 6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

During the financial year 2014-15, the Company worked on conceptualizing and developing its CSR programme as per the guidelines prescribed in CSR rules under the Companies Act 2013. In this period, long-term CSR projects were initiated keeping in mind the key focus areas of education, employability and entrepreneurship amongst the identified geographies of local and remote areas. The Company also carried out needs assessment surveys in the target geographies to align the CSR projects with the requirements of the communities. During the year, the Company has setup its CSR governance, monitoring and evaluation mechanism, CSR processes for NGO and partners' due diligence, project implementation and impact reporting. The company collaborated with several reputed organizations to carry out long-term strategic programmes with pre-determined outcome indicators. Some of the large programmes which the Company has undertaken under its CSR programme are multi-year projects and hence during the financial year 2014-15, the Company was not able to spend the entire two per cent of the average net profits of the last three financial years.

- 7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Vinod Kumar

Kishor A Chaukar

Managing Director &
Group CEO

Chairman, Corporate Social
Responsibility Committee

Mumbai
28 July 2015

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state or district where projects or programme was undertaken	Amount Outlay (budget) project or programme wise (₹)	Amount Spent on the projects or programmes Subheads: (1) Direct Expenditure (2) Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
1	Providing sustainable livelihoods through skills training and placement assistance to youth	Employment enhancing vocational skills	Local-Delhi, Mumbai, Pune, Chennai	57,01,651	55,61,652	55,61,652	Through implementing agency
2	Providing sustainable livelihoods training to women from underprivileged communities	Employment enhancing vocational training	Local-Kolkata	5,47,607	5,47,607	5,47,607	Through implementing agency
3	Project on integrated natural resource management for tribal farmers through farm and non-farm activities	Eradicating extreme hunger and poverty for scheduled castes and scheduled tribes	Other areas-Dhadgaon block, Nandurbar, district ,Maharashtra	1,27,33,598	1,27,33,598	1,27,33,598	Through implementing agency
4	Project towards supporting school education and employability for youth in tribal area	Promoting education as well as employability	Other areas-Ghatanji block, Yavatmal District, Maharashtra	10,66,600	10,66,600	10,66,600	Through implementing agency
5	Training youth to become geriatric caregivers	Providing employment and vocational training	Local-Mira Road, Thane District, Maharashtra	28,66,600	17,89,700	17,89,700	Through implementing agency
6	Soft skills training for the less privileged youth	Providing employment and vocational training	Local-Delhi	5,70,256	2,28,174	2,28,174	Through implementing agency
7	Needs assessment survey towards exploring training opportunities for youth on trades related to telecom sector	Providing employment-oriented skilling and vocational training	Local-Pune	1,12,360	1,12,360	1,12,360	Through implementing agency
8	Entrepreneurship Development Programme for scheduled castes and scheduled tribes youth	Providing employment and vocational training and self-employment opportunities	Local-Pune	42,13,500	16,85,400	16,85,400	Through implementing agency
9	Supporting career guidance for youth from less privileged urban slums	Providing employment and vocational training	Local-Delhi	2,56,400	2,56,400	2,56,400	Through implementing agency
10	Computer education - for schools' children from slums	Promotion of education	Local-Delhi	5,64,625	1,12,925	1,12,925	Through implementing agency
11	Student support centre for children from slums	Promotion of education	Local-Delhi	20,69,182	15,72,358	15,72,358	Through implementing agency
12	Reading improvement and innovative pedagogy for children of municipal schools	Promotion of education	Local-Delhi	40,13,991	40,13,991	40,13,991	Through implementing agency
13	School enrichment programme in municipal and affordable public schools	Promotion of education	Local-Mumbai	10,07,035	6,00,000	6,00,000	Through implementing agency

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state or district where projects or programme was undertaken	Amount Outlay (budget) project or programme wise (₹)	Amount Spent on the projects or programmes Subheads: (1) Direct Expenditure (2) Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
14	Supporting primary school education for enhancement of learning outcomes of municipal schools	Promotion of education	Local-Pune, Maharashtra	7,12,777	7,12,777	7,12,777	Through implementing agency
15	Integrated development project for the community in the areas of education, employability, sanitation and digital inclusion	Promotion of education and supporting vocational training of women	Local-Pune, Maharashtra	50,13,851	50,13,851	50,13,851	Through implementing agency
16	Scholarships, internship opportunities, remedial classes and mentoring of meritorious engineering and polytechnic students from disadvantaged communities in collaboration with other companies	Promotion of education	Local-Pune, Maharashtra	7,37,500	7,37,500	7,37,500	Through implementing agency
17	An integrated development programme for urban slum children through sports, digital education infrastructure and teachers' capacity building at learning centres	Promotion of education	Local-Bangalore	59,59,000	59,59,000	59,59,000	Through implementing agency
18	Developing sports and educational infrastructure for rural school	Promotion of education	Udaypura, Distt.Bangalore, Karnataka	39,98,500	39,98,500	39,98,500	Through implementing agency
19	Needs assessment survey for implementing health programme on maternal and child mortality in urban slum areas	Reducing mortality	Local-Mumbai Maharashtra	57,100	57,100	57,100	Through implementing agency
20	Educating women and adolescent girls on reproductive child health and maternal child health in urban slums	Reducing mortality	Local-Mumbai	21,58,860	8,63,544	8,63,544	Through implementing agency
21	Needs assessment survey to explore possibility of implementing employability programme	Employment/ exploring vocational training	Local-Bangalore	1,12,360	1,12,360	1,12,360	Through implementing agency
22	Needs assessment survey done for socio-economic benchmarking of the surrounding communities of the major operational location	Employment/ exploring vocational training and point 2- education	Local-Pune	5,86,000	5,86,000	5,86,000	Through implementing agency
23	Conducting summer camp for children living with HIV for their personal growth	Combating HIV, malaria and other diseases	Local-Hyderabad, Telangana	25,000	25,000	25,000	Through implementing agency

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state or district where projects or programme was undertaken	Amount Outlay (budget) project or programme wise (₹)	Amount Spent on the projects or programmes Subheads: (1) Direct Expenditure (2) Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
24	Supporting infrastructure build-up for women's collaborative venture for livelihoods	Promoting gender equality and empowering women	Local-Pune	3,47,237	3,47,237	3,47,237	Through implementing agency
25	Treatment of underprivileged women and children afflicted with cancer	Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases	Local-Kolkata	2,13,750	2,13,750	2,13,750	Through implementing agency
26	Supporting employability awareness amongst the differently abled	Employment/ exploring vocational training	Local-Delhi	3,00,000	3,00,000	3,00,000	Through implementing agency
27	Finishing school for imparting soft skills to underprivileged youth	Employment/ exploring vocational training	Local-Pune, Maharashtra	3,00,000	3,00,000	3,00,000	Through implementing agency
28	Supporting cause of HIV/AIDS prevention by creating public awareness in urban slums	Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases	Local-Mumbai	39,873	39,873	39,873	Through implementing agency
29	Public speaking training and competitions for students in municipal schools	Promotion of Education	Local-Mumbai	65,232	65,232	65,232	Through implementing agency
30	Supporting SC/ ST entrepreneurs in becoming 'job givers' and assisting them to showcase their products in a trade promotion activity	Supporting social businesses	Local-Hyderabad, Telangana	5,00,000	5,00,000	5,00,000	Through implementing agency
31	Supporting children who are mentally challenged	Promotion of education	Local-Bangalore	16,310	16,310	16,310	Through implementing agency
32	Supporting children who are mentally challenged	Promotion of education	Local-Chennai	14,000	14,000	14,000	Through implementing agency
33	One time donations to smaller NGOs on health, education and environment	Reducing child mortality and improving maternal health	Various locations include - Mumbai, Pune, Delhi and Chennai	31,183	35,489	35,489	Through implementing agency
34	Disaster relief	Ensuring environment sustainability and addressing hunger	Tata Relief Committee towards Jammu & Kashmir Disaster	15,00,000	15,00,000	15,00,000	Through implementing agency
	Sub-total			5,84,11,938	5,16,78,288	5,16,78,288	
	Overhead				14,28,184	14,28,184	
	Total CSR Spent				5,31,06,472	5,31,06,472	

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31 March 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L64200MH1986PLC039266
ii.	Registration Date	19 March 1986
iii.	Name of the Company	Tata Communications Limited
iv.	Category / Sub-Category of the Company	Telecommunications
v.	Address of the Registered office and contact details	VSB, Mahatma Gandhi Road, Fort, Mumbai - 400 001. Tel : +91 22 6657 8765 Fax : +9122 6639 5162 Email : help@tatacommunications.com Website : www.tatacommunications.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Sharepro Services (India) Pvt. Ltd. (Unit: Tata Communications Limited) 13 AB, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Andheri (East), Mumbai - 400072. Tel : (022) 2851 1872, 67720300/400. Fax : (022) 26591586, 28508927. E-mail : sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	9984 Telecommunications, broadcasting and information supply Services	9984	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Tata Communications Data Centers Private Limited C-21/C 36, 'G' Block, Bandra Kurla Complex, Mumbai - 400098	U74999MH2007PTC176737	Subsidiary	100	2(87)
2.	Tata Communications Transformation Services Limited C-21/C 36, 'G' Block, Bandra Kurla Complex, Mumbai - 400098	U93090MH2006PLC165083	Subsidiary	100	2(87)

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
3.	Tata Communications Payment Solutions Limited C-21/C 36, 'G' Block, Bandra Kurla Complex, Mumbai - 400098	U72900MH2008PLC179551	Subsidiary	100	2(87)
4.	Tata Communications Lanka Limited Garden view room, Mezzanine Floor, Taj Samudra Hotel, #25, Galle Face Centre Road, Colombo 3.	Not Applicable	Subsidiary	90	2(87)
5.	Tata Communications (Australia) Pty Limited King Street Wharf, Suite 503, 35 Lime Street, Sydney NSW2000, Australia	Not Applicable	Subsidiary	100	2(87)
6.	TCPOP Communication Gmbh Rudolfplatz, 3/ 8, 1010 Vienna, Austria	Not Applicable	Subsidiary	100	2(87)
7.	Tata Communications (Belgium) SPRL Avenue Louise 331-333, 1050 Brussels, Belgium	Not Applicable	Subsidiary	100	2(87)
8.	Tata Communications (Bermuda) Limited Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Not Applicable	Subsidiary	100	2(87)
9.	Tata Communications Services (Bermuda) Limited Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Not Applicable	Subsidiary	100	2(87)
10.	Tata Communications (Canada) Limited Suite 900, 1959 Upper Water Street, Halifax, Nova Scotia, B3J, 3N2	Not Applicable	Subsidiary	100	2(87)
11.	Tata Communications (Beijing) Technology Limited Room 1173, Gateway Building, No. 18, Chaoyang District, Beijing	Not Applicable	Subsidiary	100	2(87)
12.	Tata Communications (France) SAS 131 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France	Not Applicable	Subsidiary	100	2(87)
13.	Tata Communications Deutschland GMBH Eschenheimer Anlage 1, 60316 Frankfurt am Main, Germany	Not Applicable	Subsidiary	100	2(87)
14.	Tata Communications (Guam) L.L.C. Suite 1008 DNA Building 238 Archbishop F.C. Flores Street 96910 Hagatna, Guam	Not Applicable	Subsidiary	100	2(87)
15.	Tata Communications (Hong Kong) Limited Room 3702, 37/F The Lee Gardens, 33 Hysan Avenue Causeway Bay, Hong Kong	Not Applicable	Subsidiary	100	2(87)

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
16.	Tata Communications (Hungary) LLC Tata Communications (Magyarország) Korlátolt Felelősségű Társaság 1051 Budapest, Roosevelt ter 7-8 Hungary	Not Applicable	Subsidiary	100	2(87)
17.	Tata Communications (Ireland) Limited 6th Floor, South Bank House, Barrow Street, Dublin 4	Not Applicable	Subsidiary	100	2(87)
18.	Tata Communications (Italy) S.R.L Via Vittor Pisani 16, Milano 20124, Italy	Not Applicable	Subsidiary	100	2(87)
19.	Tata Communications (Japan) K.K. Asahi Seimei Ebisu Building 8F 1-3-1 Ebisu, Shibuya-ku, Tokyo 150-0013 Japan	Not Applicable	Subsidiary	100	2(87)
20.	ITXC IP Holdings S.A.R.L. 63-65, Rue de Merl , L-2146 Luxembourg	Not Applicable	Subsidiary	100	2(87)
21.	Tata Communications (Malaysia) SDN. BHD. 5-2 Jalan 109E, Desa Business Park, Taman Desa, Off Jalan Klang Lama, 58100 Kuala Lumpur	Not Applicable	Subsidiary	100	2(87)
22.	Tata Communications (Netherlands) B.V. Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam, Zuidoost, The Netherlands	Not Applicable	Subsidiary	100	2(87)
23.	Tata Communications (New Zealand) Limited c/o Minter Ellison Rudd Watts, 88 Shortland Street, Auckland, Auckland, 1010	Not Applicable	Subsidiary	100	2(87)
24.	Tata Communications (Nordic) AS c/o TMF Norway AS, Nydalsveien 33, 0484 Oslo	Not Applicable	Subsidiary	100	2(87)
25.	Tata Communications (Poland) SP. Z O. O. ul Populama 14, 02-473 Warsaw, Poland	Not Applicable	Subsidiary	100	2(87)
26.	Tata Communications (Portugal), Unipessoal LDA Avenida da Liberdade 224 - Edificio Eurolex, 1250-148 Lisboa Portugal	Not Applicable	Subsidiary	100	2(87)
27.	Tata Communications (Portugal) Instalação E Manutenção De Redes, LDA Rua Severino Falcao 14, Prior Velho, Lours, Lisbon	Not Applicable	Subsidiary	100	2(87)
28.	Tata Communications (Russia) LLC. 3 Smolenskaya Square, 121099 Moscow, Russian Federation	Not Applicable	Subsidiary	100	2(87)

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
29.	Tata Communications International Pte. Ltd. 35 Tai Seng Street #06-01 Tata Communications Exchange Singapore 534103	Not Applicable	Subsidiary	100	2(87)
30.	VSNL SNOSPV Pte. Ltd. 35 Tai Seng Street #06-01 Tata Communications Exchange Singapore 534103	Not Applicable	Subsidiary	100	2(87)
31.	Tata Communications Services (International) Pte. Ltd. 35 Tai Seng Street #06-01 Tata Communications Exchange Singapore 534103	Not Applicable	Subsidiary	100	2(87)
32.	Tata Communications (Spain), S.L. Edificio Casablanca, Avenida Doctor Severo Ochoa number 51, 4th floor, Alcobendas (Madrid), Spain	Not Applicable	Subsidiary	100	2(87)
33.	Tata Communications (Sweden) AB c/o Bird & Bird Advoket KB, Norrlandsgaten, S-E Box 7714, 103 95 Stockholm, Sweden	Not Applicable	Subsidiary	100	2(87)
34.	Tata Communications (Switzerland) GMBH c/o Lenz & Staehelin, Aktiengesellschaft, Bleicherweg 58, Zurich 8002, Switzerland	Not Applicable	Subsidiary	100	2(87)
35.	Tata Communications (Taiwan) Ltd 10F, No.155, Sec. 1, Keelung Rd., Taipei City, Taiwan	Not Applicable	Subsidiary	100	2(87)
36.	Tata Communications (Thailand) Limited TMF Thailand Limited, Unit 1604-6, Capital Tower, All Seasons Place, 16th Floor, 87/1 Wireless Road, Kwaeng Lumpini, Ket Pathumwan, Bangkok 10330, Thailand	Not Applicable	Subsidiary	100	2(87)
37.	Tata Communications (Middle East) FZ-LLC Office No. 302, Building No.12, Third Floor, Dubai, United Arab Emirates	Not Applicable	Subsidiary	100	2(87)
38.	Tata Communications (UK) Limited 1st Floor, 20 Old Bailey London EC4M7AN	Not Applicable	Subsidiary	100	2(87)
39.	Tata Communications (America) Inc. 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Not Applicable	Subsidiary	100	2(87)
40.	Neotel (Pty) Ltd Neovate Park, 44 Old Pretoria Main Road, Halfway House, Midrand, 1685	Not Applicable	Subsidiary	67.32	2(87)

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
41.	SEPCO Communications (Pty) Ltd 269 Oxford Road, Illovo 2196	Not Applicable	Subsidiary	73.17	2(87)
42.	Neotel Business Support Services Neovate Park, 44 Old Pretoria Road, Halfway House, Midrand. 1685	Not Applicable	Subsidiary	67.32	2(87)
43.	United Telecom Limited 1st Floor, Triveni Complex, Putalisadak, Kathmandu, Nepal	Not Applicable	Associate	22.04	2(6)
44.	Number Portability Company (Pty) Ltd Thornhill Office Park, Building 13, Ground Floor East, 94 Bekker Road, Vorna Valley X67, 1686	Not Applicable	Associate	20% held by Neotel	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1 April 2014)				No. of Shares held at the end of the year (31 March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	74446885	0	74446885	26.12	74446885	0	74446885	26.12	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp	139286330	0	139286330	48.87	139286330	0	139286330	48.87	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(1):-	213733215	0	213733215	74.99	213733215	0	213733215	74.99	0.00
2) Foreign									
g) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
h) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
j) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
k) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)	213733215	0	213733215	74.99	213733215	0	213733215	74.99	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	7929222	300	7929522	2.78	13219687	300	13219987	4.64	1.86
b) Banks / FI	19172176	0	19172176	6.73	15005407	0	15005407	5.27	-1.46
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	7422023	0	7422023	2.60	2103620	0	2103620	0.74	-1.87
g) FIs	20019520	0	20019520	7.02	22895513	0	22895513	8.03	1.01

Category of Shareholders	No. of Shares held at the beginning of the year (1 April 2014)				No. of Shares held at the end of the year (31 March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	54542941	300	54543241	19.14	53224227	300	53224527	18.68	-0.46
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	5145885	841	5146726	1.81	5456027	841	5456868	1.91	0.11
(ii) Overseas	7250	0	7250	0.00	7250	0	7250	0.00	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	7482361	167788	7650149	2.68	7501749	163533	7665282	2.69	0.01
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	3514970	0	3514970	1.23	4488653	0	4488653	1.57	0.34
c) Others (Specify)									
Trusts	11950	0	11950	0.00	10050	0	10050	0.00	0.00
NRIs	391457	982	392439	0.14	412673	982	413655	0.15	0.01
Foreign National	60	0	60	0.00	500	0	500	0.00	0.00
Sub-total (B)(2)	16553933	169611	16723544	5.87	17876902	165356	18042258	6.33	0.46
Total Public Shareholding (B)=(B)(1)+ (B)(2)	71096874	169911	71266785	25.01	71101129	165656	71266785	25.01	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	284830089	169911	285000000	100	284834344	165656	285000000	100	0.00

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1 April 2014)			Shareholding at the end of the year (31 March 2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Panatone Finvest Limited	8,86,26,654	31.10	0.00	8,86,26,654	31.10	0.00	0.00
2.	Tata Sons Limited	3,72,37,639	13.06	3.51	3,72,37,639	13.06	3.51	0.00
3.	The Tata Power Company Limited	1,34,22,037	4.71	0.00	1,34,22,037	4.71	0.00	0.00
4.	President of India	7,44,46,885	26.12	0.00	7,44,46,885	26.12	0.00	0.00
	Total	21,37,33,215	74.99	3.51	21,37,33,215	74.99	3.51	0.00

iii. Change in Promoters' Shareholding (please specify, if there is no change

Sr. No		Shareholding at the beginning of the year (1 April 2014)		Cumulative Shareholding during the year (31 March 2015)	
		No. of shares (1 April 2014)	% of total shares of the company	No. of shares (31 March 2015)	% of total shares of the company
	At the beginning of the year	21,37,33,215	74.99		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year			21,37,33,215	74.99

iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	Name of the Share Holders*	Shareholding at the beginning of the Year (1 April 2014)		Cumulative Shareholding at the end of the Year (31 March 2015)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	LIC of India Market Plus Growth Fund	57,02,590	2.00	27,30,837	0.96
2	Life Insurance Corporation of India	54,37,755	1.91	4,16,741	0.15
3	LIC of India Money Plus Growth Fund	50,12,658	1.76	50,12,658	1.76
4.	Government Pension Fund Global	42,67,764	1.50	51,99,271	1.82
5.	LIC of India Profit Plus Growth Fund	21,75,717	0.76	21,75,717	0.76
6.	Jhunjhunwala Rekha Rakesh	20,50,000	0.72	20,00,000	0.70
7.	Life Insurance Corporation of India P&GS Fund	19,16,957	0.67	19,16,957	0.67
8.	LIC of India Market Plus 1 Growth Fund	18,92,247	0.66	17,51,137	0.61
9.	ICICI Prudential Dynamic Plan	14,22,959	0.50	0	0.00
10.	Vanguard Emerging Markets Stock Index Fund, Aseries of Vanguard International Equity Index Fund	13,84,211	0.49	13,84,211	0.49

* The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding given is consolidated basis on permanent account number (PAN) of the shareholder.

V. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Folio/Beneficiary Account no.	Name of the Shareholder	Shareholding at the beginning of the Year (1 April 2014)		Cumulative Shareholding at the end of the Year (31 March 2015)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	1930013019 / 30000124662	Dr. Ashok Jhunjunwala, Director	500	0.000175	500	0.000175
2	IN300757 / 11401169	Mr. Satish Ranade, Company Secretary	1,369	0.000480	1,369	0.000480
	IN300757 / 10032989	Mr. Satish Ranade jointly with spouse, Mrs. Rekha S. Ranade	10	0.000004	10	0.000004
		Total	1,379	0.000484	1,379	0.000484

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	250.00	691.18	NIL	941.18
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not	5.15	23.40	NIL	28.55
Total (i+ii+iii)	255.15	714.58	NIL	969.73
Change in Indebtedness during the financial year				
- Addition	NIL	49.70	NIL	49.70
- Reduction	190.00	225.00	NIL	415.00
Net Change	(190.00)	(175.30)	NIL	(365.30)
Indebtedness at the end of the financial year				
i) Principal Amount	60.00	515.88	NIL	575.88
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	1.25	11.33	NIL	12.58
Total (i+ii+iii)	61.25	528.46	NIL	588.46

Notes:

1. Secured Loans represent non-convertible debentures issued by the Company.
2. Unsecured Loans represent short term borrowings of the Company. Bank overdrafts availed in the ordinary course of business have not been included here.
3. The Company has not accepted any deposits from the public. Any advance taken from customers or other parties related to provisioning of services in the ordinary course of business has not been included here.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	(₹ Lakh)	
		Name of MD/WTD/ Manager Mr. Vinod Kumar Managing Director & Group CEO	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	372.24	372.24
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	---	---
2.	Stock Option	---	---
3.	Sweat Equity	---	---
4.	Commission - as % of profit - others, specify...	---	---
5.	Others, please specify	---	---
6.	Total (A)	372.24	372.24
	Ceiling as per the Act (@10% of profits calculated under Section 198 of the Companies Act, 2013)		9287.00

* Mr. Vinod Kumar as a Chief Executive Officer of one of the Company's wholly-owned foreign subsidiaries, Tata Communications Services (International) Pte. Ltd., has also received a remuneration of Rs.464.20lakhs during the year from that subsidiary.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Others, please specify	(₹ Lakh)
					Total Amount
1	Independent Directors				
	Mr. Subodh Bhargava	2.80	17.81	---	20.61
	Dr. Uday B Desai	3.80	14.57	---	18.37
	Ms. Renuka Ramnath (w.e.f. 8 Dec 2014)	0.90	4.45	---	5.35
	Mr. Amal Ganguli (Till 16 Oct 2014)	1.00	5.67	---	6.67
	Total (1)	8.50	42.50	---	51.00
2	Other Non-Executive Directors				
	Mr. N. Srinath	1.20	4.86	---	6.06
	Mr. Kishor A. Chaukar	2.60	9.71	---	12.31
	Dr. Ashok Jhunjhunwala	1.50	6.07	---	7.57
	Mr. AK Mittal *	0.00	8.10	---	8.10
	Mr. Saurabh Kumar Tiwari *	0.00	4.45	---	4.45
	Mr. Bharat Vasani	1.30	5.26	---	6.56
	Dr. Gopichand Katragadda (From 26 March 2015)	0.00	0.00	---	0.00
	Mr. S. Ramadorai (Till 6 October 2014)	0.00	0.00	---	0.00
	Total (2)	6.60	38.45	---	45.05
	Total (B)=(1+2)	15.10	80.95	---	96.05
	Total Managerial Remuneration		80.95		
	Ceiling as per the Act (@1% of profits calculated under Section 198 of the Companies Act, 2013)		929.00		

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

(₹ Lakh)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Satish Ranade Company Secretary	Ms. Pratibha K Advani CFO (From 8 May 2015)	Mr. Sanjay Baweja CFO (Till 2 November 2014)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	145.30	Not Applicable	366.25	511.55
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.39	Not Applicable	0.12	0.51
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	Not Applicable	---	---
2.	Stock Option	---	Not Applicable	---	---
3.	Sweat Equity	---	Not Applicable	---	---
4.	Commission - as % of profit - others, specify...	---	Not Applicable	---	---
5.	Others, please specify	---	Not Applicable	---	---
6.	Total	145.69	Not Applicable	366.37	512.06

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences under the Companies Act 2013 for the year ended 31 March 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Macro-Economic Situation

After several sluggish years the Indian economy is showing signs of recovery. The economy grew at 7.3% in 2014-15, largely due to improved performance from the manufacturing and services sectors. The manufacturing, utilities (electricity, gas, water supply) and construction sectors registered the most significant growth over the last year. Financial, real estate and professional services also showed improvements. A slide in global crude prices cooled inflation and helped narrow the fiscal and current account deficits. The opening of new sectors to foreign investment contributed to some increase in FDI last year. However, in contrast to the big economic indicators, corporate earnings have been disappointing, hit by rising costs and subdued demand. Although the RBI cut rates twice during the year, a recovery in bank credit remained elusive. Mixed global demand and lower global commodity prices are hurting exporter incomes. The economic scenario and business atmosphere remained largely unchanged. Besides, agriculture remains a weak area for the economy, as the gross value added indicator has declined quarter-on-quarter.

The global economy is still struggling to gain momentum and crawl out of a prolonged recession. Many high-income countries are recovering, but unevenly, still grappling with legacies of the global financial crisis, while emerging economies are less dynamic than before. The structural shift from the developed world towards the emerging world continued and both China and India continue to grow, but at lower rates. Over the longer term, globalisation, demographic shifts and technology are expected to drive economic growth. Despite the recent slowdown in emerging markets and the improved outlook in developed ones, many emerging markets have younger populations and more favourable dependency ratios. These factors should contribute to a global economic rebalancing.

Indian Telecom Industry Situation

India's telecom sector and subscriber base have grown strongly and steadily over the past decade, on the back of rising fixed and mobile network coverage and competition-induced tariff declines. These factors have driven up demand, as has growing broadband Internet access, the quick spread of smart mobile devices and higher video traffic on consumer and business networks. The key factors which are likely to fuel future growth are

a still-growing subscriber base, mobile applications and technologically advanced end-user devices that will drive exponential growth in Internet usage and substantial growth in data centre colocation services. However, traffic growth will remain counter-balanced by severe price erosion, especially for basic voice and connectivity services, further exacerbated by competition from next-generation service providers. In the business-to-business (B2B) space, data and video traffic are growing rapidly, due to increased adoption of information technology and network services to drive business productivity and innovation.

Indian Telecom Market

In 2014-15, the Indian telecom market grew to ₹43,269 crores, at a rate of ~6% year on year. During FY15-20, the market is expected to grow at a compounded annual growth rate (CAGR) of 9%, on the back of the mid-teens growth forecast in the mobile services and managed services space. Growth in the Indian market is mainly driven by higher penetration of mobile services, growth in consumer broadband services and increased adoption of network services by Indian businesses. The Company leads the Indian market in several segments. In the financial year 2014-15, the Indian International Long Distance (ILD) voice market had nine major operators, an estimated inbound market size of 91.5 billion minutes and an estimated outbound market size of 4.6 billion minutes. The Company's market share was 27% of the addressable inbound traffic and 18% for ILD outbound traffic. The country's estimated National Long Distance (NLD) voice market size was 387 billion minutes during the year with more than 10 major operators. The estimated NLD addressable market size was 15 billion minutes, of which the Company's market share was 30%. In 2014-15, the Company had a 20% market share of the Indian enterprise data market and a 28.5% market share of the Indian data centre market.

Global Telecom Market

In 2014, the global telecom market grew marginally at 1.6% year-on-year to USD 2.2 trillion. Telecom services accounted for 73% of the total market while mobile devices accounted for 18% and telecom infrastructure for 9%. This growth rate is likely to improve, with the total telecom market expected to grow at a CAGR of 2.6% from 2014 to 2018. During 2014-15, the Company's addressable market in voice services witnessed a

slight decline because of declining call rates, while the data market showed healthy growth. We expect Tata Communications' addressable market to continue to grow at an attractive pace, due to the growth of data and video services in both the consumer and business domains.

COMPANY STRATEGY AND DIRECTION

Business Strategy

Tata Communications owns and operates the world's largest and most advanced subsea fibre cable network. Today, over 24% of the world's Internet routes travel over Tata Communications' network, which includes the largest wholly-owned subsea cable network in the world. Its Tier 1 IP network is ranked in the top five by routes across five continents and provides backbone connectivity to over 240 countries and territories across 400 points-of-presence, as well as nearly 1 million square feet of data centre and colocation space worldwide across 44 locations. The Company is also the largest global carrier of international wholesale voice - carrying 53 billion minutes of wholesale voice traffic annually equating to 1 in 10 international voice calls.

Tata Communications believes that these capabilities equip it with unique competitive advantages to execute its vision, which is to deliver a new world of communications to advance the reach and leadership of its customers and partners. The Company's strategy is to build leading-edge IP-leveraged solutions, based on its advanced global infrastructure as well as its leadership in India. Tata Communications is able to provide differentiated choices of network and IT infrastructure services to service providers, and large enterprise customers, in both established and emerging markets. In the coming years, the Company will continue with its strategy of providing managed services globally with a business-to-business (B2B) focus. It is expected that the demand for its services will remain strong, but that it will continue to face increased competition and pressure on pricing and margins. Therefore, Tata Communications has a three-pronged strategy of driving revenue growth from new markets and investing in services and technology innovation, while continuing to improve the cost structure of its operations. To execute this vision, the Company focuses on several strategic pillars, including the following:

- In core connectivity services, to focus on business model evolution, an introduction of new commercial paradigms, while improving operating costs and driving optimal utilization of assets.
- To offer hybrid network and data center solutions that leverage public and private infrastructure, to accommodate the changing enterprise IT landscape.
- To create new strategic pivots by "making Internet fit for business" and developing focused offerings in the areas of cloud enablement and mobility enablement.
- To develop the "sharing economies" ecosystem in the ICT space by co-creating offerings with partners.
- To leverage its extensive existing network and customer relationships to selectively offer industry-specific solutions, such as those already customized for the Media & Entertainment, Banking & Financial Services and Healthcare sectors.
- To leverage the adjacent capabilities and shareholder value creation role of other businesses in the portfolio such as the managed ATM business (in TCPSL) and the carrier outsourcing business (in TCTS).
- To become embedded in the Silicon Valley innovation ecosystem and identify and invest in emerging technologies and market opportunities.

Differentiated Enterprise Offerings

Tata Communications will further strengthen its market position by continuing to develop and introduce new offerings catering to the needs of corporate customers, such as unified communications, hosted contact centres, mobile broadband enablement, content delivery, infrastructure as a service (IaaS), and other managed products and services.

Tata Communications continues to adhere to the high standards of the TL 9000 framework for its India and Singapore offices and has expanded the scope of TL 9000 certification to its Sri Lanka operations. The Company also has ISO 14001 Environmental Management certification for 13 key office premises in India, valid until April 2017.

The Company's service delivery and support operations of managed services are certified to ISO 20000 and ISO 27001 standards for 11 centres in India and 7 centres

in international locations, and these are valid till March 2017.

In addition, the Company has maintained its certification to ISO 22301 business continuity management (BCM) for its cable operations. This provides further confidence to various stakeholders and customers about the organization's ability to recover from catastrophic events and demonstrate sustainability.

Continuing Investment in Global Infrastructure

Tata Communications owns and operates the world's largest and most advanced subsea fibre cable network, the Tata Global Network, or TGN, extending from developed markets to the world's fastest-growing emerging economies. Today, over 24% of the world's Internet routes travel over Tata Communications' network, and Tata Communications is the only Tier-1 provider that is in the top five by routes in five continents.

Tata Communications will continue to invest selectively in its global network, both by augmenting capacity on existing routes by upgrading electronics, as well as expanding network reach and coverage on newer emerging routes. During the year, Tata Communications announced its investment for capacity purchase in Seaborn Network's US-Brazil cable, Seabras-1. Latin America is a key emerging region and a growing market on the world stage and this investment is part of the Company's plan to enhance its offerings in that region. With the Seabras-1 cable landing in Tata Communications' Wall cable landing station in the US, this will also enable seamless extension of its TGN-network.

In addition to networks, Tata Communications has also continued to invest in its data center infrastructure and payment services business in India.

Continuing Leadership in India

Currently, the Company has leading market shares in voice and data transmission in India. In the international long distance (ILD) voice business, the Company's market share is approximately 21%. In data services, the Company is a market leader, with a 28% market share. Its leadership is well recognised in India. In FY 2014-15, the Company was honoured with four awards at the 2014 Frost & Sullivan India ICT Awards:

- Audio Conferencing Service Provider of the Year (first year).
- Third Party Data Centre Service Provider of the Year (third year in a row).
- Enterprise Data Service Provider of the Year (sixth Year in a Row).
- Enterprise Ethernet Provider of the Year (first-time winner in a new award category).

The Company will continue to sustain and solidify its market leadership in India while continuing to grow and acquire market share in other regions.

Emerging Market Leader

Tata Communications has been growing its presence in the international services segment, both in the carrier and enterprise segments. With a focus on cross-border connectivity and collaboration services, differentiated offerings to emerging markets and superior customer experience, the Company is growing its business outside India at a rate much faster than the market.

This has resulted in several accolades including being recognised in the Leadership Quadrant by Gartner in the Gartner Magic Quadrant for global network service providers, two years in a row.

Achieving Synergies with Other IT and Telecom Companies

Achieving synergies with other players in the IT and telecom sectors enables the Company to access their existing customer bases and share infrastructure costs. Accordingly, the Company continues to identify synergies and potential opportunities with other Group companies. In particular, the Company has collaborated with Tata Consultancy Services (TCS), a leading IT services company, on several occasions to jointly provide TCS customers a broad range of end-to-end IT and telecom solutions. The Company has also leveraged synergies with Tata Teleservices Limited (TTSL) on network and field operations thereby avoiding overlapping requirements, achieving higher volumes and enabling savings. In addition, the Company has established and will expand its partnerships with several other Indian and global systems integrators and carrier partners, to deliver and sell services, by leveraging mutual capabilities.

SEGMENT WISE PERFORMANCE

Company Segmentation

Tata Communications' business and revenues are well-diversified across business segments, customer profiles and geographies. Being largely a business-to-business (B2B) player, the Company serves two customer segments: service providers and enterprise customers. In the service provider segment, the Company provides an integrated set of services including wholesale voice, domestic and international data connectivity, Internet backbone connectivity (also known as IP transit), value-added roaming services for mobile operators and carrier-specific business process outsourcing services. In the enterprise segment, the Company's main offering comprises a comprehensive suite of connectivity, IT infrastructure and managed communication and collaboration solutions for businesses seeking voice, data and video connectivity between their distributed offices, within India or globally. These services are aimed at improving the operational efficiencies of businesses through the adoption of the latest networking and IT technologies, on a managed solutions basis. Tata Communications also continues to build industry-specific solutions, with a current focus on Banking & Financial Services and Media & Entertainment. The Company has been classifying its operations into three main business segments – Global Voice Solutions, Global Data and Managed Services and Neotel, its subsidiary in South Africa, which is discontinuing operations. As mentioned in the Directors' Report, the Company has concluded an agreement with Vodacom SA for the latter to acquire Neotel, subject to necessary approvals.

Global Voice Solutions

International Long Distance (ILD)

Tata Communications is the world's largest carrier of international wholesale traffic, with the most advanced intelligent routing platform to provide quality voice services. It has over 300 direct routes suppliers with leading international voice telecommunication providers. The wholesale international voice business is a mature and increasingly commoditised one, and the Company's strategy is to grow its leadership position while optimizing traffic volumes and maximising margins and cash flows.

During 2014-15, Tata Communications handled

approximately 49.2 billion minutes of international voice traffic globally, a decrease of 13% over the previous year. During the year, traffic to and from India decreased to approximately 17 billion minutes, from around 20.6 billion minutes in 2013-14. Despite the industry's declining revenue trends, Tata Communications was able to maintain its gross margins or net revenue per minute (NRPM) in 2014-15.

During the past year, Tata Communications was able to increase the ratio of traffic coming from mobile operators and next-generation service providers, which is essential to its strategy of securing traffic directly from key retail service providers.

Tata Communications has also launched two new voice services. The first was a new voice trading toolkit platform, which enables carriers, through a suite of tools, to more efficiently manage their voice business. The second was the Mobile local number service (LNS), which enables next-generation service providers around the world to offer SMS-enabled DID numbers to their end-users. Finally, the VoLTE (Voice over LTE) feature was added to the HD voice service, broadening the high-quality voice terminations service portfolio targeting mobile operators. All these new services are an integral part of the Company's strategy to attract more traffic directly from mobile operators and next-generation service providers. On the customer front, Tata Communications was successful in signing many new customers for its recently launched mobile VoIP (Voice over Internet Protocol) service, including Directi in India and Roshan in Malaysia.

National Long Distance (NLD)

NLD traffic within India is growing, though the growth has slowed down to 5% from the earlier high of over 50% in FY11. More than 95% of the NLD traffic is captive, meaning it is being carried by NLD divisions of mobile network operators (MNOs). Thus, under 5% of NLD traffic is available for 3rd-party carriage. This forms the Company's addressable market, of which the Company holds about 34% market share. The Company's NLD traffic decreased from 5.8 billion minutes in 2013-14 to 4.5 billion minutes in 2014-15, as MNOs continue to expand/roll out their own domestic networks, further shrinking the addressable market. Greater competition and regulatory initiatives have resulted in falling NLD tariffs over the years but tariffs appear to have now stabilised. The Company

believes that while the addressable market may continue shrinking, it remains large enough to be an attractive opportunity to maximise our existing infrastructure and capabilities. By increasing our market share, reducing costs and increasing margins, the Company intends this business segment to remain profitable.

Global Data and Managed Services

Carrier Data

Tata Communications is one of the world's leading wholesale providers of data, Internet protocol (IP) and mobile signalling services. Tata Communications owns and operates the world's only wholly-owned fibreoptic sub-sea network ring around the globe, the Tata Communications' Global Network (TGN).

The TGN consists of 7,00,000 kilometers of terrestrial and subsea network fibre and reaches countries representing 98% of the world's GDP. Tata Communications leverages this unparalleled network to provide high-speed bandwidth connectivity to other telecom operators and Internet Service Providers (ISPs) worldwide.

Tata Communications has the world's largest mobile signalling inter-provider network and is supporting mobile network operators (MNOs) around the globe with one of the industry's widest-reaching service offerings for mobile broadband enablement. It has an extensive portfolio of mobile services, including IPX+ connectivity, voice, messaging, roaming and signalling. With the accelerated growth in mobile data, MNOs are looking for ways to generate increased revenue, reduce customer churn and ensure service continuity even as they migrate to 4G, and the Company is mining this opportunity. Tata Communications' managed services simplify the interconnection of MNO communities, ensuring smoother end-to-end service delivery and management across networks, resulting in quality and efficiency gains. During the past year, the Company has introduced several innovations in these areas.

Enterprise Data

The enterprise data business has high potential and is growing fast. Over the past few years, Tata Communications has ramped up its capabilities and offerings so that today, it is a leading player in this space globally, with an extensive suite of services. Tata Communications offers a full range of customised and

managed communication solutions tailored to the needs of enterprise customers. With its Global Network Services (GNS) portfolio, Tata Communications serves three forms of connectivity needs of service provider and enterprise customers in India and globally. These are: dedicated point-to-point connectivity (IPL or NPL); Internet (IP-based) connectivity (IAS within India and IP transit elsewhere); and multi-location connectivity through global virtual private networks (GVPN). The Company continues to expand the reach of its services by directly entering select new markets, partnering with regional/local operators, and using indirect channels catering to small and medium enterprises. During the past year, it has introduced several new innovations and acquired a number of new clients.

One such innovative solution launched during the year was a cloud enablement service IZO™ which caters to connectivity solutions for both public and private cloud providers. IZO™ is the most comprehensive enterprise WAN and cloud enablement platform available today. It combines the public Internet uniquely engineered for predictable routing, together with enterprise private and public cloud connectivity and interconnected data centres, to deliver a total cloud solution. The platform brings together Tata Communications' global Tier-1 IP network, Global MPLS and Ethernet network spanning 190+ countries and an ecosystem consisting of 20+ network providers covering 34 countries, the three largest private cloud platforms – Amazon Web Services (AWS), Microsoft® Azure™ and Google Cloud Platform – and over 50 data centres across the globe.

Tata Communications' focus on increasing business and partnership with these top cloud providers led to the organisation of our NextGen sales unit, which has a dedicated sales force to cater to the needs of these cloud providers. Over the last year Tata Communications partnered with them for the IZO™ platform, and closed a few strategic deals in the network and infra-based solutions space. The NextGen sales segment has shown high revenue growth YoY.

Tata Communications' IP services rank among the top five globally and it has been an aggressive early-mover in the Ethernet space. The company completed the extension of its low-latency network in Asia with direct connections to the National Stock Exchange of India Limited (NSE), the Singapore Exchange Limited (SGX) and the Hong

Kong Stock Exchange (HKEx). The low-latency network further extends the company's global financial trading connectivity network, supporting mission critical, real-time trading applications. Tata Communications has also strengthened its MPLS VPN portfolio by introducing flexible service variants, enhancements of network capability and reach. Launch of usage-based VPN service allows customers flexibility to scale up bandwidth and adopt "pay as you use" billing for unseen peak loads across their global network. The Company's network reach is further enhanced through an express route connecting East Africa directly to the Middle East, a redesigned Middle-East network architecture for enhanced performance to customers with intra-region connectivity requirements, as well as new nodes in major cities of Africa, the Middle East and Europe.

In a testament to its capabilities, Tata Communications won a multi-year contract with the KION Group, the second largest global manufacturer of forklift trucks and warehouse technology, to provide global WAN services to the group's 330 sites and 22,000 employees across 30 countries. This network is a critical element in achieving the KION Group's Strategy 2020 objective of harnessing its global potential even more effectively. Tata Communications was also chosen by several large multinationals and local enterprises ranging from large e-commerce players to automobile giants. TCL provided network and infrastructure-based solutions to these enterprises.

Tata Communications is one of the largest players in the data center business in India, with facilities in many major commercial cities. Tata Communications also provides data center services globally, in key countries including the US, the UK and Singapore. It now owns over 1 million square feet of data center and colocation space across 44 global locations and also has eight partner sites across Australia, Malaysia, Germany and Netherlands.

Global Managed Services (GMS) provides collaboration and unified communication solutions to enterprises as well as service providers. Services offered by this group are: calling services (enterprise voice, ITFS, IPT), conferencing services (voice, data, web, video), SIP connect and hosted contact centre services. These services provide "virtual meetings" using simple desktop-based and life-like telepresence endpoints, which enable enhanced collaboration across global companies and

markets, reducing travel and raising productivity.

Further, growth of mobility makes unified communication and collaboration (UCC) critical to the large businesses Tata Communications serves, who operate across multiple geographies and time zones. This is driving growth in video usage, which is driving IP traffic and overall network usage. This has helped encourage adoption by our customers of the Company's UCC offering called Jamvee™ launched in July 2013. Jamvee™ is a device-agnostic and access-agnostic video service, which customers pay for by the minute according to use.

Tata Communications is now positioned in the Leaders' Quadrant in Gartner's Magic Quadrant for global network service providers. In just five years Tata Communications has been recognised by Gartner in the leadership category in APAC and the Global Magic Quadrant for enterprise network services. This recognition by a leading global business analyst validates the implementation of Tata Communications' strategy on the two parameters of completeness of vision and the ability to execute.

Tata Communications also offers customised network solutions and managed services to the media and entertainment industry. Media companies with global reach are actively pursuing next-generation architectures that are IP/cloud centric, providing efficient global work flows, distribution, flexible scaling, and readiness for alternative OTT services. Tata Communications' strategy to create the world's richest, connected, open video ecosystem includes business-to-business video services, cloud-based services and flexible, modular, managed services. Tata Communications continues to leverage its strength in emerging markets. During the year new partnerships, such as with China Mobile and Indosat, were crystallised. We have also partnered with major media service providers like Harmonics Inc. to provide end-to-end managed media services. Tata Communications continues to experience double-digit growth within the sports entertainment markets and with content owners providing global distribution of their content.

ORGANIZATIONAL RESTRUCTURING

Global Structure

Tata Communications has structured itself into global business units and global shared service functions, to operate optimally in its different customer segments and markets, spread across the world. Several initiatives

are being implemented within this structure to improve customer experience, define and create a common company culture, tighten corporate identity and branding, implement the next-generation network architecture for converged services and enhance operating efficiency in other respects.

SUSTAINABILITY AND RESPONSIBILITY

Environment Sustainability Initiatives

The Company's sustainability journey has evolved in recent years. The Company began by responding proactively to calls for environmental compliance and by reducing its operational footprint. The Company's three priorities in this regard are to reduce its carbon footprint, re-use water and reduce its consumption, and manage hazardous solid waste. To decrease dependency on traditional energy resources, the Company has taken several initiatives such as investing in systems to tap wind power through distribution grids, installing rooftop solar power panels at Company facilities and installing large-scale solar plants in locations with land banks. Adoption of new technologies such as IGBT-based non-conversion type UPS or free cooling for DC are a few of them. Also, computerised fluid dynamics (CFD) analysis has also helped the Company in achieving energy optimisation. The Company has completed the installation of 600 KWP solar power plants on the rooftops of Tata Communications facilities in Pune, Chennai and Delhi; a 1.5 MWP solar plant at the Pune facility; and a mix of ground-based and rooftop solar power plants in Chennai, with an aggregate capacity of 1 MWP. The Company has setup water treatment plants in India at Pune, Mumbai and Chennai to recycle waste water to partially meet its water requirements. At Pune, an artificial lake was created to charge the ground water aquifer. Additionally, 20-foot wells with horizontal bores are used for further harvesting. This has resulted in an abundant supply of water through ground water sources during the lean months. In 2014-15, 30% of the power consumed by the Company came from alternate power sources such as wind and solar power, and fossil-fuel consumption has decreased by 1%.

Corporate Social Responsibility (CSR)

The Company fulfill its social responsibilities by assisting communities, by actively implementing developmental projects in the thrust areas of education, employability

and entrepreneurship. CSR programmes in these focus areas are implemented through not-for-profits and other partners with relevant experience and credibility. In addition to these thrust areas, we plan to add drinking water, hygiene/sanitation and digital literacy/inclusion in the coming year, through an integrated approach plan.

In line with the Company's CSR focus and our commitment towards the community as a whole, we aim to include beneficiaries from socially-disadvantaged communities, and increase diversity in our projects.

In pursuit of CSR programmes, the Company synergises with the programmes and initiatives of the Tata Group by liaising with the Tata Sustainability Group (TSG) wherever possible and provides support for disaster rescue, relief and rehabilitation in close co-ordination with them.

During FY 2014-15, the thrust areas for the Company's CSR and affirmative action programmes covered education, employability, entrepreneurship, community initiatives, disaster relief and rehabilitation and employee volunteering.

REGULATORY DEVELOPMENTS

In 2012, the Government of India notified a new Telecom Policy aiming to boost transparency and revive growth in the Indian telecom industry. The Company expects that when fully implemented, the new policy will help telecom operators serve their customers better. The regulatory scenario in other geographies across the world, where the Company operates through its subsidiaries, did not see any major policy changes impacting the Company's business.

RISKS AND CONCERNS

Like all businesses, Tata Communications is exposed to certain risks and concerns in the course of its business:

Price Reductions

Reductions in prices for communications services both voice and data, in India and worldwide, have had, and are expected to continue to have, an adverse effect. It is likely that the prices for communications services will generally continue to decrease as competition increases, as capacity is augmented, and as disruptive technologies are introduced. The recent economic downturn globally has led to a slowdown in customer uptake and put increasing downward pressure on prices as customers

seek to reduce costs.

Key Customers - Service Providers

Business with other carriers and service providers represents a large proportion of the Company's total business. Several carriers that the Company does business with, have in the recent past suffered from reduced profit margins and other significant financial pressures. Market restructuring through acquisitions and mergers or through carriers exiting the international wholesale business continues. This could lead to realignment among the various players in the industry. Some of these changes could negatively impact the Company's business. Further, if any of the major carriers that the Company does business with encounters sudden financial difficulties or files for bankruptcy, the Company may be unable to recover amounts due to it.

Technology Risk

Technology is continuously changing in the telecommunications industry and service providers need to ensure that they are constantly bringing new services and technologies to market to compete effectively. The Company continuously introduces new communications services so that it can compete for new customers and can compete in new segments of the communications business. If the Company is not able to successfully complete the development and introduction of new services, including new managed services, in a timely manner, the business could be adversely affected. The Company relies on a combination of in-house development and third-party technology licensing and/or acquisition to bring the new communications services and technology to market. In either case, it is important that the Company is able to obtain any necessary third-party intellectual property rights covering the new communications services on a cost-effective basis. If another person holds the technology that is necessary for the Company to provide its services, under a patent or other intellectual property right, a license for the use of that technology may have to be negotiated. The negotiations may not arrive at a price that is acceptable. The existence of such patents or other intellectual property rights, or the inability to negotiate a license at an acceptable cost, for any such technology, could effectively hinder the Company's ability to provide services and offer products using that particular technology. Since it is not cost effective to perform comprehensive patent searches

for the technologies used by all Company products and services, it is often not possible to determine what relevant patents are held by others until a third party levies a patent infringement claim against the Company. Furthermore, even if we are able to identify a relevant third-party patent but we have developed strong bases for our product or service not infringing that patent, the patent owner may still sue us.

Some of the key technological risks can be classified under as below:

- Last-mile access: related disruptions due to WI-FI data roaming, roll out of 5G/LTE high-bandwidth wireless, sky technology e.g. drones.
- Terrestrial long-haul access: high-speed terabit wavelengths deployment, wireless access used for long hauls in replacement to terrestrial access.
- Switching (IP layer): with the advent of software defined networks (SDN) being considered the next wave of routing and switching for IP-based networks, the traditional network architectures are exposed to disruption in the near future. The Company is also gearing up by adopting SDN technology for its network.

In addition, the Company must be vigilant in protecting its own intellectual property rights through appropriate government filings and other actions under patent, copyright, trademark and trade secret laws in various jurisdictions worldwide. Any impediment in this process could harm the business.

Operating Risks

The Company must be able to continuously increase the traffic of voice, Internet, data, and video transmissions on its global network in order to realise the anticipated cash flow, operating efficiencies and cost benefits of this network, particularly since certain of the costs (such as repairs and maintenance) are fixed. Any one of several factors could adversely impact ongoing operations, including these:

- The technical infrastructure is vulnerable to damage, interruptions or failures that may result in reduced traffic and consequently reduced revenues and cause harm to the Company's reputation because of failure in fulfilling commitments under significant contracts.

- Inability to hire and retain an adequate number of qualified personnel or to source the right equipment and technology.
- Acquisitions have been key to the Company's growth and successful integration of acquired businesses is important to realise the full value of investments made.
- The Company's operations are global and any terrorist activities or other acts of violence or war that impact business continuity, would adversely affect its results.

Lack of End-Customer Ownership

In the long distance voice business in India, the Company is a wholesale operator and does not have an access license. Although calling card regulations has been issued by the regulator recently, allowing the end-consumer to choose along distance carrier, the Company continues to be dependent on access providers to route national long distance (NLD) and international long distance (ILD) calls of their customers through the Company's networks. This inherent nature of the business poses some risk. Several of these access operators in India have taken NLD and ILD licenses and started operations as competitors in the long distance and other markets, thus shrinking the addressable market.

The international wholesale voice business also depends heavily on third parties who own organic traffic. To mitigate the risks of losing traffic, the Company is building traffic from retail service providers such as mobile network operators, over the top players, etc.

Regulatory Environment

The Company has interests in a large number of countries worldwide and must comply with an extensive range of requirements that are meant to regulate and supervise the licensing, construction and operation of telecommunications networks and services. These requirements are likely to increase with further overseas expansion and with the expansion of the Company's services portfolio, particularly with the expansion of voice services to enterprise customers. In particular, there are agencies which regulate and supervise the allocation of frequency spectrum and which monitor and enforce regulation and competition laws that apply to the telecommunications industry. Legal and regulatory decisions and changes in the regulatory environment in the jurisdictions in which the Company

and its subsidiaries do business, could have adverse effects. The tariffs charged by telecommunication service providers in India are subject to the regulations of the Telecommunications Regulatory Authority of India (TRAI). The Company periodically renegotiates interconnect agreements with various domestic mobile service operators and basic telecom service providers and settlement rates with international carriers, resulting in the revision of rates from time to time depending on market conditions. Such revisions could be adverse and have a material effect on Tata Communications' operations and financial condition.

Telecommunications regulators around the world – including in particular the United States – have shown a keen interest in adopting regulations to codify “net neutrality” or “open Internet” principles. The FCC adopted new rules in March 2015 that require transparency and robust disclosures by telecom service providers of fixed or mobile broadband Internet access services and prohibit blocking or throttling of lawful Internet traffic as well as “paid prioritisation” arrangements between Internet service providers and providers of online content or services. A broad array of US Internet service providers has challenged the FCC's rules in court, and judicial proceedings are likely to continue into 2016.

While the US regime expressly excludes services provided to enterprise customers and wholesale carrier customers, calls for further expansions of the recently adopted rules may affect Tata Communications' services outside India more directly. In addition, regulators in other countries are considering rules that may not exempt enterprise or wholesale services. Tata Communications expects debates about net neutrality issues to remain active in many jurisdictions, and calls for increased regulation may expand into adjacent areas, including the potential regulation of transit and CDN services, over the top video services, and other aspects of the Internet ecosystem.

Until such time net neutrality stabilises as accepted concept it is difficult to guess about its impact on Tata Communications.

Funding

The Company has made, and will continue to need, capital investments in new telecommunications projects, which may stretch liquidity and create execution risks. Operations and profitability may be adversely affected if the funding required for the plans is relatively more expensive or delayed.

As of 31 March 2015, the outstanding principal amount of debt was approximately ₹ 580.64 crores for the Company on a standalone basis and ₹ 10,416.81 crores (excluding Neotel) on a consolidated basis. Considering the current capital expenditure requirements and debt maturing in the near future, the Company may need to resort to refinancing its maturing debt as the possibility of raising equity funding is limited at this juncture. This may increase its debt servicing obligations. In the long run, unless the Company is able to raise equity funding, its ability to raise additional debt funding may be restricted. This, in turn, could adversely affect the capital expenditure programme in the long run. If the rupee weakens against the dollar in the coming year, it will have an adverse effect on the cost of foreign currency indebtedness in India.

Changing Economic Conditions

Tata Communications' operations and investments as well as rights to undersea cable capacity extending to other countries, expose the Company to risks inherent in international operations. Downturns in the Indian, regional and global economies could have a material adverse effect on the Company's business prospects. Risks include:

- General economic, social and political conditions;
- the difficulty of enforcing agreements and collecting receivables through certain foreign legal systems;
- foreign currency exchange rate fluctuations, which could adversely affect the results of operations and the value of international assets and investments, although the Company partially hedges its foreign exchange risk;
- foreign earnings may be subject to withholding tax requirements or the imposition of tariffs, exchange controls or other restrictions;
- difficulties in obtaining licenses or interconnection or other cooperation arrangements on acceptable terms.

Key Disputes and Litigation

Over the past fiscal years, the Company had made certain tax holiday and expense claims based on its understanding of the tax laws, as reinforced by legal precedent and advice received from external tax counsel. In some cases, the Indian tax authorities have not

accepted the claims and in a few instances have sought to levy penalties. The disallowances/penalties have been challenged under the applicable legal provisions. The appeals are at various stages of adjudication. Though no such appeal has been finally decided against the Company, in the unlikely event of all of the disputes culminating in judgments against the Company, that could have adverse financial implications.

TDSAT

As reported earlier, in the year 2005, the Company along with several other service providers had challenged before Telecom Disputes Settlement & Appellate Tribunal (TDSAT), the definition of "gross revenue" and "adjusted gross revenue" (AGR) as interpreted by the government's Department of Telecommunications (DoT) for levying license fees.

The final verdict was rendered by the TDSAT on 30 August 2007, broadly in line with several of the Company's contentions. However the industry and the Company were not satisfied on two issues, viz. (i) the date of applicability of the TDSAT verdict, which according to the Company should be the date from which the license fee based on a revenue-sharing regime came into effect, and not the date of filing the petition in the TDSAT (May 2005 in the case of the Company) as ordered by the TDSAT and (ii) deductibility of charges passed on to other service providers for leasing bandwidth, port charges, etc., which was disallowed by the TDSAT. The Company and also several other telecom operators have challenged the TDSAT's order of 30 August 2007 on the above two issues in the Supreme Court of India. The Company also filed a separate appeal in the Supreme Court delinking its case from other petitioners, the grounds of appeal being different from other players. The DoT has also filed an appeal in the apex court against the judgment of the TDSAT. The Supreme Court in its judgment has set aside the TDSAT judgment dated 30 August 2007 in so far as the industry is concerned. Further, due to such delinking, the appeals of both the Company and the DoT are pending before the Supreme Court.

The Company had also separately filed a petition in the TDSAT in the matter of applicability of penal provisions under the international and national long distance license agreements in respect of the charging of penalty and interest on penalty. The TDSAT, by its judgment of 11 February 2010, has allowed the petitions filed by the

Company, striking down the clause imposing penalty. As a consequence, the Company became entitled to a refund of ₹ 115.73 crores, the penalty realised by the DoT in January 2008 and interest thereon. After the filing of the execution petition in the TDSAT in January 2012, the TDSAT passed the order in May 2012 directing the DOT to refund ₹ 115.73 crores along with interest. Accordingly, the DoT has refunded to the company an amount of ₹ 226.23 crores (₹ 115.73 crores plus interest) in June 2012. However, the DoT has challenged the TDSAT order of May 2012 for refund of penalty and interest thereon, in the Supreme Court, which is pending for hearing.

Regulatory Matters

The Company holds several telecom licenses in India. Though the Company always follows and observes the licensing terms and conditions, the licensor while conducting its periodical inspections at the customer premises or otherwise, may come to a conclusion that certain breaches to license conditions have happened.

This may result in the issuance of notices to the customer and to the Company by the licensor and in the levy of penalties by the licensor. Although, the Company may challenge penalties, if any, levied by the licensor arising out of such notices, it cannot be said with certainty that the Company will be able to defend itself against all such notices.

International Operations

A large part of the Company's consolidated revenues are generated through its operations in international markets. Integrating acquisitions and managing operations in diverse international locations is very critical to the success of Tata Communications' business plans.

Market Consolidation and New Entrants

The Company's revenue can be adversely impacted on account of market consolidation in some regions, where some regional carriers are acquired by large wholesale carriers. Opening up of licensing in closed markets could mean that our customers lose control of international traffic out of their home country. Over the top (OTT) players (also called next-generation players) may exploit the Internet to deliver international voice services without using a carrier network. OTT players have started

impacting revenues of traditional service providers (mobile network operators) in mature markets.

Changing Technologies in Mobile Global Roaming

The wireless mobile global roaming business provides roaming services for Global Systems for Mobile (GSM), Integrated Dispatch Enhanced Network (iDEN), Universal Mobile Telecommunications System (UMTS, 3G) and Enhanced Specialised Mobile Radio (ESMR) networks around the world. With increasing pressure on roaming margins, regulatory caps on inter-operator tariffs (IOTs) in some geographies and increased competition, strong price pressure may be expected in the international signalling transport and conversion businesses. Though this price erosion will be partially offset by the continued volume growth in emerging markets, a shift towards more sophisticated signalling and roaming outsourcing solutions targeted at Tier-1 mobile operators and groups will be necessary to sustain revenues and margins. The Company is also engaging with new segments and business associates like hub providers and Application-to-Person (A2P) service providers, as both customers and channel partners, to drive additional revenue growth.

The advent of next-generation Long Term Evolution (LTE) standards also presents new opportunities for signalling and roaming connectivity and interoperability. The Company has already embarked on network modernisation to collaborate with early-adopters on LTE/DIAMETER signalling interconnectivity and service enablement.

Developing, Testing and Introducing New Services

The Company continuously develops, tests and introduces new services so that it can compete for new customers and in new segments of the communications business. Sometimes the introduction of new services requires the successful upgrade of technology or development of new technology, which may be dependent on the conclusion of contract negotiations with vendors and on vendors meeting their obligations in a timely manner.

In addition, new service offerings may not be widely accepted by customers. If the Company is not able to successfully complete the development and introduction of new services, including new managed services that incorporate customer feedback in a timely manner, the business could be materially and adversely affected.

Technical Infrastructure

The Company's technical infrastructure is vulnerable to damage or interruptions caused by earthquakes, floods, storms, fires, power outages, war, riots, intentional misdeeds and other similar events. In particular, a major part of our international traffic is routed through undersea cable systems as well as through cable systems between different countries. These cables are prone to damage, including cable cuts. Any serious damage to major cables or simultaneous multiple cable failures could seriously disrupt traffic, which might lead to losses in revenue and adversely affect the Company's reputation.

In addition, natural information technology system failures (hardware or software), human error or computer viruses may affect the quality of services and cause temporary interruptions. More rarely, software problems are hidden in vendors' equipment, undetectable through regular commissioning testing, but appear when specific traffic loading conditions are reached on the network, which can severely impact several pieces of equipment simultaneously. These types of events could result in customer dissatisfaction and reduced traffic and revenues.

The infrastructure may also be vulnerable to cyber security risks, which may result in service interruptions, gaining of unauthorised access, loss, theft or corruption of data, and theft of intellectual property or sensitive information, any of which could disrupt or have a material adverse effect on the Company's business. Such negative consequences could include remedial costs, increased cyber security costs, lost revenues, litigation, reputational damage and regulatory penalties.

Successful Integration of Acquired Businesses

The Company has made significant acquisitions and investments in recent years, and will continue to explore the possibility of future acquisitions and investments in accordance with business needs. The integration of acquired businesses involves a number of risks, including:

- Demands on management related to the significant increase in size after the acquisition;
- the diversion of management's attention from the management of daily operations to the integration of operations;
- higher integration costs than anticipated;

- failure to achieve expected synergies and costs savings;
- regulatory restrictions imposing a constraint on optimal designs for integration of Operations Support Systems—Business Support Systems (OSSBSS Systems);
- difficulties in the assimilation of different cultures and practices, as well as in the assimilation and retention of geographically-dispersed personnel and operations; and
- difficulties in the integration of departments, systems (including accounting systems) technologies, books and records and procedures, as well as in maintaining uniform standards, controls (including internal control over financial reporting), procedures and policies.

Fraud or Theft of Services

The industry in which the Company operates has incurred losses in the last several years due to fraud. Although the Company has implemented various measures in order to control losses relating to fraudulent practices, it may not succeed in effectively controlling fraud when operating in the international or domestic Indian telecommunications markets.

Commitments under Significant Contracts

The Company has entered into a number of significant contracts with certain global voice solutions (GVS) and global data and managed Services (GDMS) customers. Failure to meet commitments under these contracts could result in financial losses and damage the Company's reputation. The five largest customers collectively account for ~8% of the revenues and if, due to any reason, the Company loses any major customer or they terminate their respective agreements, it could negatively impact revenues as well as profitability and generation of cash.

Intellectual Property and Proprietary Rights

If technology that is necessary to provide services is held under patent by another person, a license would have to be negotiated for the use of that technology. The Company may not be able to negotiate such a license at a price that is acceptable. It may also be possible that the patent owner is a competitor who would rather

keep a monopoly on the patented technology rather than licensing it. The existence of such patents, or our inability to negotiate a license for any such technology on acceptable terms, could force us to cease using the technology and offering products and services incorporating the technology.

To the extent that Tata Communications is subject to litigation regarding alleged use of third party intellectual property rights, this litigation could:

- be time-consuming and expensive;
- divert attention and resources away from our daily business;
- impede or prevent delivery of our products and services; and
- require us to pay significant royalties, licensing fees and damages.

Parties making claims of infringement may be able to obtain injunctive or other equitable relief that could effectively block the ability to provide services and could cause Tata Communications to pay substantial damages for alleged infringement and/or make payments to the customers for the indemnities granted in association with the services. In the event of a successful claim of infringement, Tata Communications may need to obtain one or more licenses from third parties, which may not be available at a reasonable cost, if at all. The defense of any lawsuit could result in time-consuming and expensive litigation, regardless of the merits of such claims, and could also result in damages, license fees, royalty payments and restrictions on the ability to provide services, any of which could harm the business.

Emerging Markets

The development of business in emerging markets may be a critical factor in determining the future ability to sustain or increase the level of global revenues. Challenges that arise in relation to the development of the business in emerging markets include, but are not limited to, more volatile economic conditions, competition from companies that are already present in the market, the need to identify correctly and leverage appropriate opportunities for sales and marketing, poor protection of intellectual property, inadequate protection against crime (including counterfeiting, corruption and fraud), inadvertent breaches of local

law/regulation and not being able to recruit sufficient personnel with appropriate skills and experience. The failure to exploit potential opportunities appropriately in emerging markets may have a materially adverse effect on the Company's financial condition and results of operations.

Environmental Legislation

The Company's core values of environmental protection are integrated with its business strategy to add value to the business, manage risk and enhance the Company's reputation. The Company is subject to laws and regulations concerning the environment, safety matters and regulation of product safety in the countries where it sells its products and/or services or otherwise operates its business. These requirements include regulation of the handling, transportation, use and disposal of materials used in the business, including the discharge of pollutants into the environment. In the normal course of business, the Company is exposed to risks relating to (i) possible releases of hazardous substances (such as fuel from storage tanks or acid from battery accumulators) into the environment, which could cause environmental or property damage or personal injuries, and which could require remediation of contaminated soil and groundwater and (ii) possible damage due to the removal of certain decommissioned submarine fibre optic cables, which could require remediation and/or rectification. Under certain laws, the Company may be required to remedy contamination at third-party sites, or at certain of its properties, regardless of whether the contamination was caused by the Company, or by previous occupants of the property.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a robust internal control mechanism in place. The Company has implemented a SAP ERP (Enterprise Resource Planning) system. The financial authority at various management levels is clearly defined in the delegation of powers. Technical and financial operations are controlled by state-of-the-art technology and systems. The accounts of the Company are subjected to internal and statutory audit.

The Company has a well-established risk management policy and procedures based on which risks are identified and assessed across its business units and operations.

This process takes into consideration well-defined risk management principles, which are based on experience, known best practices and principles of good corporate governance.

These risk management efforts are focused on mitigating the potential adverse impact on its business from changes in the external and internal environment. Risk management and mitigation of key risks are considered a vital exercise in order to achieve the corporate objectives and deliver long-term value to the stakeholders.

The Company's key risks are regularly discussed with the members of the audit committee and the Board of Directors. The responsibility for effective and efficient implementation and maintenance of the risk management system rests with the global management committee, which comprises of the CEO, CFO and key business and operations heads. The company's risk management procedures are subject to a continual improvement process.

In order to manage risks, the Board of Directors has established an Enterprise Risk Management (ERM) process comprising the necessary organisational rules and procedures for identifying risks at an early stage, and is taking proactive steps to manage the risks inherent to any commercial activity. The Board of Directors monitors and undertakes an assessment of risks critical to the Group's performance and strategic delivery. After identifying and assessing the risk under categories such as strategic, financial, operational and compliance, the Company then defines control measures aimed at reducing the likelihood of its occurrence and the potential impact.

The risk assessments performed under the ERM exercise are a key input for the annual internal audit programme, and covers the Company's various businesses and functions. In addition to internal audit the Company also continues to conduct a detailed review and testing of the key internal controls related to financial reporting and operations. This approach provides adequate assurance to the management, the audit committee and the Board regarding the effectiveness of the internal control procedures defined and implemented by the management.

CAUTIONARY STATEMENT

Statements in the Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, policies, tax laws and other incidental factors. Further, the Company retains the flexibility to respond to fast-changing market conditions and business imperatives.

Therefore, the Company may need to change any of the plans and projections that may have been outlined in this report, depending on market conditions.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15
(In accordance with clause 49 of the listing agreement with Indian stock exchanges)**1. CORPORATE GOVERNANCE PHILOSOPHY AND PRACTICE**

The Company as a Tata Company follows fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct based on the Tata Code of Conduct for its employees including the Managing Director, as also a Code of Conduct for its Non-Executive Directors. Both these Codes are available on the Company's website.

The Company believes that, though total business risk elimination is not possible, it can be minimized by consistently developing and following the best practices of Corporate Governance. To this end, the Company focuses on developing and implementing higher standards of accountability to enable optimum returns to all stakeholders.

The Company communicates regularly with its shareholders through bulletins, presentations and meetings with analysts and investors.

2. BOARD OF DIRECTORS

As on 31 March 2015, the Company had eleven directors. Of the eleven Directors, ten are non-executive directors out of whom three were independent directors.

The Chairman of the Company is a non-executive director (independent director), therefore, as per Clause 49(IA) of the Listing Agreement, at least one-third of the Board should be independent directors. As on the date of this Report, the Board comprised of 11 directors out of which 3 were independent directors thus falling below the stipulated requirement of having one third of the directors as independent directors. As reported to the Indian Stock Exchanges, In February 2002, when the Government of India transferred 25% of its stake in the Company to the Strategic Partner, a Shareholders Agreement and a Share Purchase Agreement were signed. The said agreements, inter alia, sets forth the rights and obligations of the Strategic Partner and the Government of India (GoI) including appointment of directors on the Board of the Company. The relevant clauses from the agreements were incorporated in the Articles of Association of the Company. Under the Articles of Association and

in accordance with the agreements referred above, the Board is to be comprised of 12 directors, four of which must be independent directors and the Government and the Strategic Partner are entitled to recommend two independent directors each. Two out of the three independent directors were recommended by the Strategic Partner and the one independent director was recommended by the Government. Since June 2011, the Government is in the process of recommending the name of the other independent director. The Company has been vigorously pursuing the GoI time and again to recommend the name of one more independent director so as to fill in this vacancy. The GoI still being in the process of identifying a suitable name to recommend, till such time the recommendation of name of one more independent director is received from the Government and the Board appoints one more independent director, the Company would not be compliant with Clause 49(IA)(ii) of the Listing Agreement i.e. to have one third of the directors as independent directors.

None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairperson of more than five committees across all the public companies in which they are directors. Necessary disclosures regarding committee positions in other public companies as on March 31, 2015 have been made by the directors. None of the directors are related to each other.

The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Act.

In accordance with the applicable Tata Guidelines regarding age limit prescribed for a director, Mr. S. Ramadorai and Mr. Amal Ganguli resigned from the Board w.e.f from 6 October 2014 and 16 October 2014 respectively.

In accordance with the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Ms. Renuka Ramnath, who was appointed by the Board

as additional director / independent Director and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, is proposed to be appointed as an Independent Director to hold the office for a period of 5 years from 8 December 2014 till 7 December 2019.

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Dr. Ashok Jhunjhunwala and Mr. N. Srinath retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Dr. Gopichand Katragadda who was appointed as an additional director by the Board on 26 March 2015 holds office only up to date of this Annual General Meeting and in respect of whom a notice under the provisions of Section 160 of the Companies Act, 2013 has been received by the Company from a member signifying his intention to propose Dr. Gopichand Katragadda as a candidate for the office of director liable to retire by rotation.

The names and categories of the directors on the board, their attendance at board meetings held during the year and at the last annual general meeting, and the number of directorships and committee memberships/ chairmanships held by them in other public companies as on 31 March 2015 are given in table below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / memberships of board committees include only audit committee and stakeholders' relationship committee.

Name of the Director	Category	Number of Board Meetings during the tenure from 1 April 2014 till 31 March 2015		Attendance at the last AGM (4 August 2014)	Number of Directorships in Indian Public Companies including Tata Communications Limited		Number of Committee Positions held in Public Companies including Tata Communications Ltd		Number of Shares held as on 31 March 2015
		Held	Attended		Chairman	Member	Chairman	Member	
Mr. Subodh Bhargava [Chairman] DIN # 00035672	Independent Non Executive	6	6	Yes	3	5	1	3	NIL
Mr. Vinod Kumar Managing Director & Group CEO DIN # 01204665	Not Independent Executive	6	6	Yes	NIL	1	NIL	NIL	NIL
Mr. N. Srinath DIN # 00058133	Not Independent Non Executive	6	4	No	NIL	6	NIL	2	NIL
Mr. Kishor A. Chaukar DIN # 00033830	Not Independent Non Executive	6	5	Yes	1	7	1	4	NIL
Dr. Ashok Jhunjhunwala DIN # 00417944	Not Independent Non Executive	6	6	Yes	NIL	7	2	5	500
Dr. Uday B Desai DIN # 01735464	Independent Non Executive	6	6	Yes	NIL	1	NIL	2	NIL
Mr. AK Mittal ¹ DIN # 03606496	Not Independent Non Executive	6	6	Yes	NIL	1	NIL	NIL	NIL
Mr. Saurabh Kumar Tiwari ¹ DIN # 03606497	Not Independent Non Executive	6	3	No	NIL	2	NIL	1	NIL
Mr. Bharat Vasani DIN # 00040243	Not Independent Non Executive	6	6	Yes	NIL	3	NIL	NIL	NIL

Name of the Director	Category	Number of Board Meetings during the tenure from 1 April 2014 till 31 March 2015		Attendance at the last AGM (4 August 2014)	Number of Directorships in Indian Public Companies including Tata Communications Limited		Number of Committee Positions held in Public Companies including Tata Communications Ltd		Number of Shares held as on 31 March 2015
		Held	Attended		Chairman	Member	Chairman	Member	
Ms. Renuka Ramnath (w.e.f. 8 Dec 2014) DIN # 00147182	Independent Non Executive	2	2	NA	NIL	8	1	NIL	NIL
Dr. Gopichand Katragadda [w.e.f. 26 Mar 2015 DIN # 02475721	Not Independent Non Executive	NIL	NIL	NA	NIL	2	NIL	NIL	NIL
Mr. Amal Ganguli (Up to 16 Oct 2014) DIN # 00013808	Independent Non Executive	3	3	Yes	NA	NA	NA	NA	NA
Mr. S. Ramadorai (Up to 6 Oct 2014) DIN # 00000002	Not Independent Non Executive	2	NIL	No	NA	NA	NA	NA	NA

¹ Nominee director of the Government of India.

Notes :

- (a) None of the directors is related to any other director.
- (b) None of the directors has any business relationship with the Company.
- (c) None of the directors received any loans and advances from the Company during the year.
- (d) The information as required under Annexure X to Clause 49 is being made available to the board.
- (e) Apart from Directors' Remuneration and sitting fees, the Company did not have any pecuniary relationship or transactions with non-executive directors during 2014-15.
- (f) The terms and conditions of appointment of the independent directors are disclosed on the website of the Company. During the year, two separate meetings of the Independent Directors were held inter-alia to review the performance of non-independent directors and the board as a whole.
- (g) As required under Clause 49(II)(B)(7) of the Listing Agreement, the Company has a familiarisation programme for the independent directors. The details of such familiarisation programme are available on the Company's website.
- (h) The detailed resume of each director and the details of the directors proposed to be appointed / reappointed at the 29th Annual General Meeting are published elsewhere in the annual report.
- (i) The necessary quorum was present for all the meetings and the gap between two board meetings did not exceed four months. The dates on which the 6 board meetings were held are as follows:

13 May 2014	4 August 2014	10 October 2014
01 November 2014	8/9/10 December 2014	12 February 2015

3. AUDIT COMMITTEE

The constitution of the Audit Committee is in compliance with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 177 of the Companies Act 2013.

The terms of reference of the audit committee are broadly as under:

- Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of the audit process;
- Approving transactions of the Company with related parties as required by the Companies Act 2013 (the Act) and the Listing Agreement and any subsequent modification on the basis of such transactions approved earlier;
- Reviewing inter-corporate loans and investments;
- Reviewing the process of valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluating the system of internal financial controls relating to financial reporting and the risk management system in conjunction with Internal and Statutory Auditors and Risk Management Committee;
- Calling for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and reviewing the financial statements before their submission to the Board; also discussing any related issues with the internal and statutory auditors and the management of the company.
- Reviewing vigil mechanism for directors, employees or any other person to report genuine concerns in such manner as may be prescribed.
- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Approving payments to statutory auditors of fees for the audit and for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for such changes and ensuring that such changes are appropriate;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
 - The going-concern assumption;
 - Compliance with accounting standards;
 - Contingent liabilities;
 - Status of litigation by or against the Company;
 - Claims against the Company and their effect on the financial statements;
 - Review the financial statements of its subsidiary companies, in particular, inter-corporate loans and investments made by unlisted subsidiary companies.

The term “financial statement” shall have the meaning ascribed to such term under Section 2(40) of the Companies Act, 2013.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;
- Reviewing, with the management, the performance of statutory and internal auditors;
- Reviewing the adequacy of internal audit function, including the structure of the outsourced internal auditors and/or the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons, in conjunction with the management, for any substantial default in any payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism;
- Approval of the appointment of the CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Seeking information from any employee.
- Selecting and appointing professional advisors and obtaining advice from external sources including for forensic or other investigations, if necessary.
- Securing the attendance of outsiders with relevant expertise, if it considers necessary.
- If the Company is required under the Act or other legal provision to appoint a cost auditor to have a cost audit conducted, the Committee shall taking into consideration the qualifications and experience of the person proposed for appointment as the cost auditor, recommend such appointment to the Board, together with the remuneration to be paid to the cost auditor. If a cost auditor is appointed, the Committee shall review and recommend the cost audit report to the Board.
- Performing other activities related to this Charter as requested by the Board.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the internal auditors shall be subject to review by the Committee.

Additionally, the Committee may also oversee:

- Financial statements for material subsidiaries.
- Compliance with legal and regulatory requirements including the Tata Code of Conduct (“TCoC”) for the Company and its material subsidiaries¹.

The audit committee invites Company executives, as it considers appropriate, representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The previous annual general meeting (AGM) of the Company was held on 4 August 2014 and was attended by Mr. Amal Ganguli, the then Chairman of the audit committee.

The audit committee consists of four members. On 11 February 2015, Ms. Renuka Ramnath, Independent Director was appointed as the Chairman of the Committee. Mr. Amal Ganguli, who resigned as a Director from the Board of the Company w.e.f. 16 October 2014 was the Chairman of the Audit Committee till the date of his resignation.

The other members of the committee are Mr. Subodh Bhargava, Independent Director, Dr. Uday B Desai, Independent Director and Mr. Saurabh Tiwari, Government Nominee Director. Mr. Satish Ranade, Company Secretary is the audit committee’s Secretary.

Attendance at the Audit Committee Meetings

Name	No. of Audit Committee Meetings during 2014-15	
	Held during Tenure	Attended
Ms. Renuka Ramnath [Chairman w.e.f 11 February 2015]	1	1
Mr. Subodh Bhargava	4	4
Dr. Uday B. Desai	4	4
Mr. Saurabh Tiwari	4	1
Mr. Amal Ganguli [Upto 16 October 2014]	2	2

During the last financial year, the Audit Committee held four meetings and not more than four months

had elapsed between any two meetings. The necessary quorum was present for all the meetings. The dates of meetings of the Audit Committee are as follows:

12 May 2014	04 August 2014
01 November 2014	11 February 2015

4. NOMINATION AND REMUNERATION COMMITTEE

a) Constitution and Terms of Reference

The Company had a Remuneration Committee of directors. On 13 May 2014, the Board of the Company renamed the Remuneration Committee as the Nomination and Remuneration Committee and reconstituted the Committee, pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Recommend to the Board the setup and composition of the Board and its committees. This shall include Formulation of the criteria for determining qualifications, positive attributes and independence of a director. The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of directors.
- Devise a policy on Board diversity.
- Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the company (as defined by this committee).
- Support the Board and IDs in evaluation of the performance of the Board, its committees and individual directors. This shall include “Formulation of criteria for

evaluation of Independent Directors and the Board.” Additionally, the committee may also oversee the performance review process of the KMP and the executive team of the company.

- Recommend to the Board the remuneration policy for directors, executive team/ KMP as well as the rest of the employees.
- On an annual basis, recommend to the Board the remuneration payable to directors and executive team/ KMP of the company.
- Oversee familiarisation programmes for directors.
- Oversee the HR philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and executive team).
- To be informed prior to any change in composition of the boards of Indian Subsidiaries, Associates and Joint Ventures and to receive annually report on composition of those boards.
- Provide guidelines for remuneration of directors on material subsidiaries.
- The NRC of the parent/ holding company shall recommend to its Board how the company will vote on resolutions for appointment and remuneration of directors on the Boards of its material subsidiary companies.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

The Remuneration and Nomination Committee currently consists of four members. Dr. Uday B Desai, Independent Director is the Chairman of the Committee and Mr. Subodh Bhargava - Independent Director, Mr. Kishor Chaukar and Mr. A.K. Mittal are the members

of the Committee. Mr. Satish Ranade, Company Secretary is the Remuneration Committee’s Convener. Four meetings of the Nomination and Remuneration Committee were held during the financial year 2014-15.

Attendance at the Nomination and Remuneration Committee Meetings

Name	No. of Nomination and Remuneration Committee Meetings during 2014-15	
	Held during Tenure	Attended
Dr. Uday B Desai [Chairman w.e.f 14 May 2014]	3	3
Mr. Subodh Bhargava	4	4
Mr. Kishor Chaukar	4	3
Mr. A.K. Mittal	4	4

During the last financial year, the Nomination and Remuneration Committee held four meetings. The necessary quorum was present for all the meetings. The dates of meetings of the Nomination and Remuneration Committee are as follows:

13 May 2014 4 August 2014
12 February 2015 22 March 2015

b) Remuneration Policy

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company’s business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where Tata Communications operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the IT industry.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its managing director. Annual increments of the Managing Director are decided by the nomination and remuneration committee (NRC) within the salary scale approved by the members of the Company and are effective April 1 each year. NRC decides on the commission payable to the managing director out of the profits for the financial year and within the ceilings prescribed under the Companies Act 2013 based on the performance of the Company as well as that of the managing director and each executive director.

During the year 2014-15, the Company paid sitting fees of ₹ 20000/- per meeting to the non-executive directors for attending the meetings of the Board and Audit Committee. The Company paid sitting fees of ₹ 20000/- per meeting to the members of the Nomination & Remuneration Committee with effect from 12 February 2015. The Company paid sitting fees of ₹ 10000/- per meeting to the non-executive directors for attending the meetings of the Committees of the Board other than the Audit Committee. The members have at the AGM of the Company on 11 October 2011, approved payment of commission to the non-executive directors for each year for the period of five years commencing from 1 April 2010, within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the board of directors and distributed amongst the non-executive directors based on their attendance and contribution at the board and certain committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses out-of-pocket expenses incurred by the directors for attending the meetings.

c) Table of commission and sitting fees paid to the non-executive directors for the year 2014-15 is as follows:

(Amount in ₹'000)

Name of the Director	Commission	Sitting Fees
Mr. Subodh Bhargava Chairman	1781	280
Mr. N. Srinath	486	120
Mr. Kishor A. Chaukar	971	260
Dr. Ashok Jhunjunwala	607	150
Dr. Uday B Desai	1457	380
Mr. AK Mittal *	810	NIL
Mr. Saurabh Kumar Tiwari *	445	NIL
Mr. Bharat Vasani	526	130
Ms. Renuka Ramnath (w.e.f. 8 Dec 2014)	445	90
Dr. Gopichand Katragadda (w.e.f. 26 March 2015)	NIL	NIL
Mr. Amal Ganguli (Up to 16 Oct 2014)	567	100
Mr. S. Ramadorai (Up to 6 October 2014)	NIL	NIL

* The Government Directors have informed the Company that they shall not accept any Sitting Fees and commission as their Directorships are considered to be part of their official duty.

d) The details of remuneration to the whole-time director during the year 2014-15 are as follows:

Name	Salary#	Perquisites & Allowances #	Commission
Mr. Vinod Kumar MD & Group CEO	527,66,453	108,77,719	200,00,000

Salary, perquisites and allowances as stated above includes amount paid by subsidiary company.

e) The Company does not have any employee stock option scheme.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

CSR committee of directors as required under Section 135 of the Act was constituted by the Board at its meeting held on 8-10 December 2014 with Mr. Kishor Chaukar as its Chairman, Mr. Saurabh Tiwari, Ms. Renuka Ramnath and Dr. Gopichand Katragadda as its members.

The broad terms of reference of CSR committee are as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the Corporate Social Responsibility Policy of the company from time to time;
- Oversee the Company’s conduct with regard to its corporate and social obligations and its reputation as a responsible corporate citizen;
- Oversee activities impacting the quality of life of various stakeholders; and
- Monitor the CSR policy and expenditure of the material subsidiaries.

Attendance at the CSR Meeting

Name	No. of CSR Committee Meetings during 2014-15	
	Held during Tenure	Attended
Mr. Kishor Chaukar	1	1
Mr. Saurabh Tiwari	1	1
Ms. Renuka Ramnath	1	1
Dr. Gopichand Katragadda	1	1

One meeting of the CSR Committee was held on 17 January 2015 where all the members of the Committee were present. The CSR policy of the Company is available on its website at the following link:

<http://www.tatacommunications.com/sites/default/files/Tata%20Communications%20Limited%20-%20CSR%20Policy%2012%20February%202015.pdf>

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company had an Investor Grievance Committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend /notices / annual reports, etc. The nomenclature of the said committee was changed to Stakeholders Relationship Committee in the light of provisions of the Companies Act 2013 and revised clause 49 of the Listing Agreement.

The Stakeholders Relationship Committee consists of Mr. Kishor Chaukar as its Chairman and Dr. UB Desai and Mr. AK Mittal as the members. During the financial year 2014-15, the Committee held four meetings on 13 May 2014, 4 August 2014, 1 November 2014 and 12 February 2015. Mr. Satish Ranade, Company Secretary is the convener of the Stakeholders Relationship Committee.

The broad terms of reference of the Stakeholders Relationship Committee are as under:

- Review of statutory compliance relating to all security holders.
- Consider and resolve the grievances of security holders of the company including complaints related to transfer of securities, non-receipt of annual report/declared dividends/notices/ balance sheet.
- Oversight of compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Oversight and review of all matters related to the transfer of securities of the company.
- Approval of issue of duplicate certificates of the company.
- Review of movements in shareholding and ownership structures of the company.
- Ensuring setting of proper controls and oversight of performance of the Registrar and Share Transfer Agent.

- Recommendation of measures for overall improvement of the quality of investor services.

Attendance at the Stakeholders Relationship Committee (SRC) Meetings

Name	No. of SRC Committee Meetings during 2014-15	
	Held during Tenure	Attended
Mr. Kishor Chaukar - Chairman	4	4
Dr. UB Desai	4	4
Mr. AK Mittal	4	4

The details of grievances received from the shareholders during the year and their status on 31 March 2015 is given below:

Sr. No.	Nature of Complaints	No. of Complaints	
		Received	Pending
1.	SEBI/Stock Exchange Complaint	2	NIL
2.	Direct/Miscellaneous/Other Complaint	NIL	NIL
	TOTAL	2	NIL

This committee has been delegated the powers to approve the issue of Duplicate Share Certificates and approve transfer/transmission of shares. The Registrar and Transfer Agents have been authorised to issue Duplicate Share Certificates and approve transfer/transmission up to a maximum of 500 shares per folio, limited only to routine day-to-day work.

As the shares of the Company are under compulsory dematerialized trading for all investors, this delegation is considered adequate. All the shares received for transfer till 31 March 2015 have been duly processed.

7. ETHICS AND COMPLIANCE (ERC) COMMITTEE

In accordance with the Tata Communications Code of Conduct For Prevention of Insider Trading and Code of Corporate Disclosure Practices, the Ethics and Compliance Committee was constituted consisting of Mr. Kishor Chaukar as its Chairman and Dr. UB Desai and Mr. Saurabh Tiwari as its

members. Mr. Satish Ranade, Company Secretary is the convener of the Committee. The Committee considered matters relating to the Insider Trading. Four meetings of the committee were held during the year 2014-15 on 13 May 2014, 4 August 2014, 1 November 2014 and 12 February 2015.

Attendance at the Ethics and Compliance Committee Meetings

Name	No. of ERC Committee Meetings during 2014-15	
	Held during Tenure	Attended
Mr. Kishor Chaukar - Chairman	4	4
Dr. UB Desai	4	4
Mr. Saurabh Tiwari	4	1

8. RISK MANAGEMENT COMMITTEE (RMC)

The Board of Directors at its meeting held on 8 December 2014 had authorized the Chairman to constitute the RMC with majority of the members being directors and the others from the management. Accordingly, with the approval of the Chairman, the RMC is constituted with Mr. Kishor A Chaukar, Director as the Chairman, Dr. Ashok Jhunjunwala, Director, Mr. Vinod Kumar, Managing Director & Group CEO and Mr. Tri Pham, Head-Corporate Strategy & Communications as its members.

One meeting of the RMC was held on 12 February 2015.

Attendance at the RMC Meeting

Name	No. of RMC Committee Meetings during 2014-15	
	Held during Tenure	Attended
Mr. Kishor Chaukar - Chairman	1	1
Mr. Vinod Kumar	1	1
Dr. Ashok Jhunjunwala	1	1
Mr. Tri Pham	1	1

9. GENERAL BODY MEETINGS

The location and time of the last three general body meetings are as follows:

Meeting Date	Location, Description and Type of Resolutions	Voting
4 August 2014	The 28th Annual General Meeting was held at 1100 hours at NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400051. There were Nine resolutions (All ordinary resolutions).	All the resolutions were put to vote and carried with requisite majority.
22 August 2013	A Court Convened Meeting of the Equity Shareholders of Tata Communications Limited (EGM), was held on Thursday, 22 August 2013 at 10.a.m. at NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. (One special resolution).	The resolution was put to vote by show of hands and were carried unanimously.
26 July 2013	The 27th Annual General Meeting was held at 1100 hours at NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400051. There were Six resolutions (One special resolution and five ordinary resolutions).	All the resolutions were put to vote by show of hands and were carried unanimously.

10. DISCLOSURES

- i) All material transactions entered into with related parties as defined under the Companies Act 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arm's

length pricing. These have been approved by the audit committee. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the link- http://www.tatacommunications.com/sites/default/files/TCL_RPT_POLICY.pdf. Note number 33 of the Notes on Accounts may also be referred to in this respect.

- ii) No non-compliance notice has been issued and no penalties or strictures have been imposed on the Company by SEBI, any stock exchange or any statutory authority on any matter related to capital markets, during the last three years 2012-13, 2013-14 and 2014-15. However, in compliance with the SEBI circular dated 30 September 2013, the Company has paid during the financial year 2015-16 the specified fines imposed by the stock exchanges for the delay in filing of annual accounts for financial year 2014-15 with the stock exchanges
- iii) The Company has adopted a Whistle Blower Policy and has established necessary mechanisms for employees to report concerns about unethical behaviour. The said policy has been also put up on the website of the Company at the following link: <http://www.tatacommunications.com/sites/default/files/Whistleblower%20Policy%20-%20Designed%20Version.pdf>. No person has been denied access to the Audit Committee.
- iv) Reconciliation of Share Capital Audit:
A qualified practicing Company Secretary carried out quarterly audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.
The audits confirm that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- v) The Company has fulfilled the following non-mandatory requirements as prescribed in

Annexure XIII to the Clause 49 of the Listing Agreements entered into with the Stock Exchanges:

- a. Mr. Subodh Bhargava, Independent Director, is the Chairman of the Company and Mr. Vinod Kumar is the Managing Director & Group CEO of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and CEO / Managing Director.
- b. The Company has appointed Independent firms as the internal auditors of the Company who make presentations to the audit committee on their reports.

vi) **Subsidiary companies**

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the board of directors of the Company.

The Company does not have any material non-listed Indian subsidiary companies. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the link http://www.tatacommunications.com/sites/default/files/TCL_Material_Subsiadiary_Policy.pdf.

11. **MEANS OF COMMUNICATION**

Company's quarterly results are ordinarily published in the Free Press Journal and Navshakti among others, and are also hosted on Company's website: www.tatacommunications.com. The Company's press releases, details of significant developments and investor updates are also made available on the website.

The Company generally holds a press conference/ investors' meet after the half-yearly results are taken on record by the board relating to the period ending 30 September and 31 March every year.

The management discussion and analysis forms part of the directors' report and is included in the annual report for the year 2014-15. Segmental information may be referred to in Note number 32 of the Notes on Accounts.

12. **SHAREHOLDER INFORMATION**

DATE AND VENUE OF THE AGM

The Twenty Ninth Annual General Meeting of the Company will be held at 1100 hours on Tuesday, 29 September 2015, at NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

FINANCIAL CALENDAR

Fiscal year ended : 31 March 2015

Annual General Meeting : 29 September 2015

KEY FINANCIAL REPORTING DATES FOR THE FINANCIAL YEAR 2015-16

First quarter ending	: On or before
30 June 2015	14 August 2015
Second quarter ending	: On or before
30 September 2015	14 November 2015
Third quarter ending	: On or before
31 December 2015	14 February 2016
Fourth quarter ending	: on or before
31 March 2016	29 May 2016

BOOK CLOSURE DATES FOR THE PURPOSE OF DIVIDEND

The Company's register of members and share transfer books will remain closed from 26 September 2015 to 29 September 2015 (both days inclusive).

DIVIDEND POLICY

Company believes in enhancing shareholders returns every year and in line with this company has constantly endeavored to maintain the Dividend Payout Ratio at broadly same levels every year. However, there are various constraints that may impact on a decision to pay out earnings in the form of dividends.

- Cash flow constraints
- Contractual constraints

- Legal constraints
- Tax considerations
- Return considerations

The board recommends dividends at its discretion. The factors that may be considered by the Board before making any recommendations for the dividend include, but are not limited to, future expansion plans and capital requirements, profits earned during the financial year, overall financial conditions, cost of raising funds from alternate sources, liquidity and cash flow position and applicable taxes including tax on dividend as well as exemptions under tax laws available to various categories of investors from time to time, and money market conditions.

DIVIDEND PAYMENT

The Board has recommended payment of 55% dividend i.e. ₹ 5.50 per share for the Financial Year 2014-15.

LISTING ON STOCK EXCHANGES IN INDIA AND LISTING FEES

The Company's equity shares are listed on the stock exchanges at Mumbai (BSE) and National Stock Exchange (NSE) in India. Annual listing fees as due to each of the above stock exchanges for 2014-15 have been paid. The Company has not issued any convertible debentures.

CORPORATE IDENTITY NO (CIN) :

L64200MH1986PLC039266

STOCK CODE

Bombay Stock Exchange : 500483

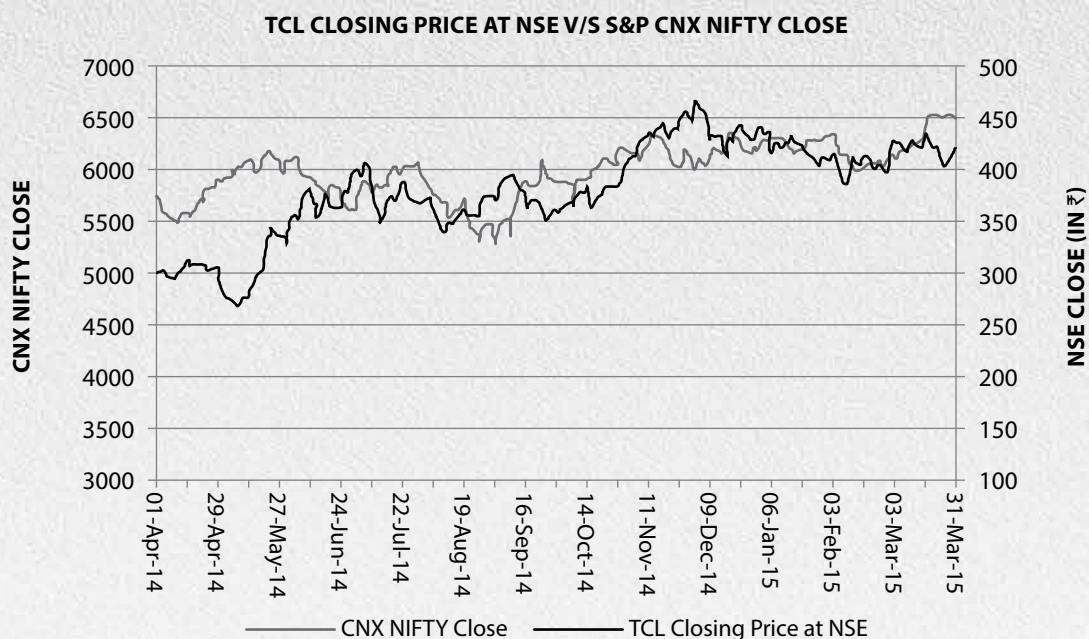
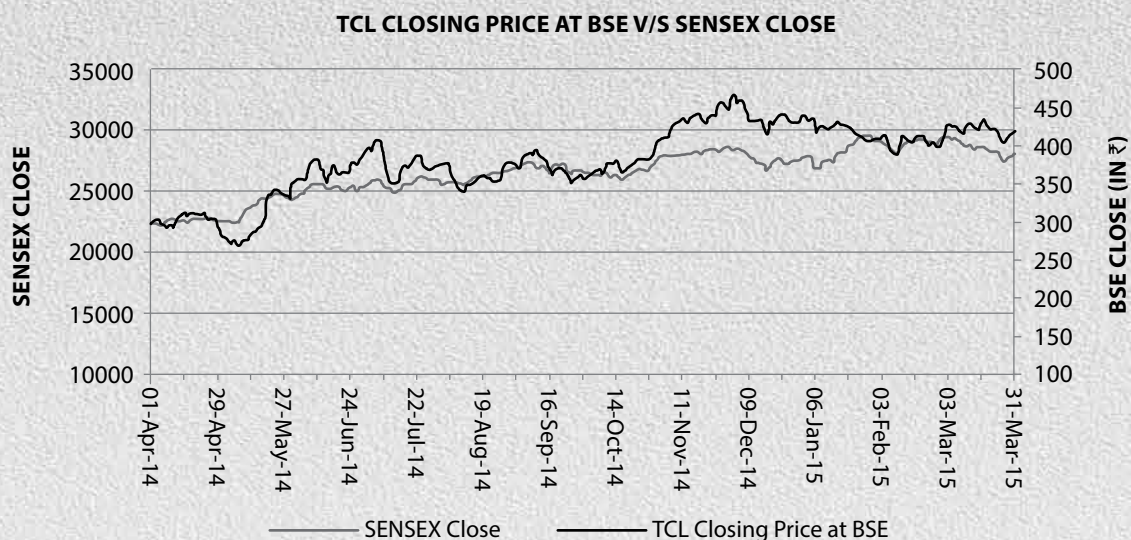
National Stock Exchange : TATACOMM

ISIN No. for equity shares : INE151A01013

STOCK MARKET DATA RELATING TO SHARES LISTED IN INDIA

Monthly high and low quotations and volume of equity shares traded on BSE and NSE for 2014-15 are:

Month	BSE Share Price (In ₹)			NSE Share Price (In ₹)		
	High	Low	Avg Volume	High	Low	Avg Volume
Apr-14	318.00	280.20	1467418	317.55	280.10	832000
May-14	360.70	268.60	3072958	360.90	267.75	1142000
Jun-14	395.30	343.00	1782988	395.00	343.00	856900
Jul-14	412.00	343.50	1295162	412.40	343.50	620200
Aug-14	384.60	336.45	1015164	384.40	336.10	617100
Sep-14	400.00	344.30	1208870	399.55	344.65	732600
Oct-14	404.55	352.00	819392	405.50	352.35	432700
Nov-14	462.55	397.00	1665901	462.40	396.15	735600
Dec-14	474.30	394.00	815527	474.45	393.85	414200
Jan-15	445.10	399.20	929545	445.40	399.40	455100
Feb-15	424.60	377.15	876309	424.55	377.10	532500
Mar-15	449.45	389.00	1627861	449.90	388.60	620600



SHARE TRANSFER SYSTEM

Share transfers in physical form can be lodged with the R&T agents of the Company. The transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects. The Stakeholders Relationship Committee is empowered to approve the share transfers. However, in the interests of shareholder friendliness, the R&T Agents have been empowered to approve the share transfers up to 500 shares per folio per transfer.

DISTRIBUTION OF SHAREHOLDING

	Number of Shareholders	
	31.03.2015	31.03.2014
Number of ordinary shares held		
1 to 500	55945	57766
501 to 1000	1362	1376
1001 to 10000	1580	1570
Over 10000	339	283
TOTAL	59226	60995

CATEGORIES OF SHAREHOLDERS AS OF 31 MARCH

Category	Number of Shareholders		Voting Strength (Percentage)		Number of Shares Held	
	2015	2014	2015	2014	2015	2014
PROMOTERS						
Tata Group						
Panatone Finvest Limited	2	2	31.10	31.10	88626654	88626654
Tata Sons Limited	5	5	13.06	13.06	37237639	37237639
The Tata Power Company Limited	1	1	4.71	4.71	13422037	13422037
Central Government	1	1	26.12	26.12	74446885	74446885
NON-PROMOTERS						
Indian Public Financial Institutions	124	102	10.62	12.10	30265788	34440336
Indian Nationalised Banks	2	5	0.00	0.03	9379	83385
Foreign Financial Institutions	114	92	8.03	7.02	22895513	20019520
Non-resident individuals / Overseas Corporate Bodies	961	935	0.15	0.14	421405	399749
Other Indian Bodies Corporate	1102	1266	1.94	1.81	5520765	5146726
Public	56914	58586	4.26	3.92	12153935	11177069
TOTAL	59226	60995	100	100	285000000	285000000

Dematerialisation of Shares and Liquidity

Approx 99.94% of the Company's share capital available in the market is dematerialised as on 31 March 2015. The Company's shares are regularly traded on the Stock Exchange Mumbai and the National Stock Exchange, as is evident from the table containing stock market data.

SHARE CAPITAL HISTORY

Details of share capital history since incorporation is as follows:

Dates	Particulars of Issue	Number of Shares	Total Number of Shares	Nominal Value of Shares (₹)
19.03.1986	Allotted as Purchase consideration for assets & liabilities of OCS	126	126	126,000
01.04.1986	Allotted as Purchase consideration for assets & liabilities of OCS	+599,874	600,000	600,000,000
March 1991	Shares of ₹ 1000/- each subdivided into shares of ₹ 10/- each	NIL	60,000,000	600,000,000
06.02.1992	Bonus of 1:3 issued to Government of India.	+20,000,000	80,000,000	800,000,000
Jan-Feb 1992	12 million shares disinvested in favour of Indian Financial Institutions by GOI @ ₹ 123/- per share	NIL	80,000,000	800,000,000
1994-1995	2,382,529 Shares transferred to disinvested parties as bonus shares	NIL	80,000,000	800,000,000
27.03.1997	Raised its share capital by way of GDR Issue, and also GOI Divested 39 lakh shares in GDR markets @ US\$13.93 per GDR equivalent to ₹ 1000 per share.	+12,165,000	92,165,000	921,650,000
04.04.1997	Raised its capital by way of GDR Issue Green Shoe option @ US\$13.93 per GDR equivalent ₹ 1000 per share.	+2,835,000	95,000,000	950,000,000
Feb. 1999	10million shares divested by GOI in GDR markets @ US\$9.25 per GDR equivalent to ₹ 786.25 per share.	NIL	95,000,000	950,000,000
May 1999	396,991 shares Divested by GOI by way of offer of shares to employees @ ₹ 294 per share locked in for a period of 3 years.	NIL	95,000,000	950,000,000
Sept 1999	10,lakh shares Divested by GOI in domestic markets @ ₹ 750 per share.	NIL	95,000,000	950,000,000
15.08.2000	Listing of ADRs on New York Stock Exchange	NIL	95,000,000	950,000,000
24.11.2000	Bonus shares in the ratio of 2:1.	+190,000,000	285,000,000	285,000,000
27.09.2001	Declared dividend @ 500% i.e. ₹ 50/- per share at 15 AGM.	NIL	285,000,000	2,850,000,000
January 2002	Paid special interim Dividend of 750% i.e. ₹ 75/- per share	NIL	285,000,000	2,850,000,000
13.02.2002	25% Stake transferred to Tata Group's investment vehicle Panatone Finvest Ltd. Govt holdings reduced to 27.97% from 52.97%. Ceases to be a Government of India Enterprise	NIL	285,000,000	2,850,000,000
21.02.2002	5264555 shares Divested by GOI by way of offer of shares to employees @ ₹ 47.85 per share locked in for a period of 1 year.	NIL	285,000,000	2,850,000,000
10.04.02	Open Offer by Panatone Finvest Limited in accordance with SEBI guidelines to acquire upto 57 million shares @ ₹ 202/- per share	NIL	285,000,000	2,850,000,000
08.06.02	Open offer complete with Panatone holding total of 128249910 shares including 57 million shares as above.	NIL	285,000,000	2,850,000,000
13.08.13	Delisting of ADRs from NYSE	NIL	285,000,000	2,850,000,000

PLANT LOCATIONS

In view of the nature of the Company's business viz. telecommunications services and other value added services, the Company operates from various offices in India. The Company has no manufacturing facility.

Registered Office

VSB, Mahatma Gandhi Road,
Fort, Mumbai - 400 001.
Tel : +91 22 6657 8765
Fax : +9122 6639 5162
Email : help@tatacommunications.com
Website : www.tatacommunications.com

Corporate Office

Plot No. C-21 and C-36, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 098.
Tel : +91 22 6657 8765
Fax : +9122 6639 5162
Email : help@tatacommunications.com
Website : www.tatacommunications.com

Compliance Officer

Mr. Satish Ranade
Company Secretary & Legal Advisor
Plot No. C-21 and C-36, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 098.
Tel : +91 22 6659 1966
Fax : +91 22 6725 1962
Email : satish.ranade@tatacommunications.com

Any shareholder complaints/queries may be addressed to:

Registrar and Transfer Agents

M/s. Sharepro Services (India) Pvt. Ltd.
(Unit: Tata Communications Limited)
13 AB, Samhita Warehousing Complex,
2nd Floor, Near Sakinaka Telephone Exchange,
Andheri Kurla Road, Andheri (East),
Mumbai - 400072.
Tel : (022) 2851 1872, 67720300/400.
Fax : (022) 26591586, 28508927.
Email : sharepro@shareproservices.com

Any queries relating to financial statements of the Company may be addressed to:

Investor Relations Cell
Tata Communications Limited
VSB, MG Road,
Fort, Mumbai - 400 001.
Tel : +91 (22) 66578765
Fax: +91 (22) 66395162
Email: investor.relations@tatacommunications.com

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL
WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and senior management of the Company.

I confirm that the Company has in respect of the financial year ended March 31, 2015, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Mumbai
Date: 28 July 2015

Satish Ranade
Company Secretary &
Legal Advisor

Vinod Kumar
Managing Director &
Group CEO

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER
CLAUSE 49 OF THE LISTING AGREEMENTS**

To the Members of
TATA COMMUNICATIONS LIMITED

We have examined the compliance with the conditions of Corporate Governance by TATA COMMUNICATIONS LIMITED ('the Company'), for the year ended on 31 March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except that:

The strength of independent directors of the Company for the year was less than one third of the strength of Board of Directors of the Company, as is required by Clause 49(IA)(ii) of Listing agreement, for the reasons explained in paragraph 2 of the Company's 'REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15'.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S.B. BILLIMORIA & CO.
Chartered Accountants
(Firm Registration No.101496W)

R. A. Banga
Partner
(Membership No. 37915)

MUMBAI,
Date: 27 August 2015

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Tata Communications Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Communications Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Tata Communications Limited for the financial year ended on 31st March, 2015 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;
- (v) The following Regulations and Guidelines prescribed

under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the Company has not issued further capital during the financial year under review.
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable as the Company does not have Employee Stock Option Scheme.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 – Not Applicable as the Company has not delisted – Not applicable as the company has neither delisted nor proposed to delist its equity shares from any of the stock exchanges during the financial year under review.
- (g) The Securities and Exchange Board of India (Buyback of securities) Regulations, 1998 – Not Applicable as the Company has not bought back/propose to buy back its equity shares during the year under review.
- (vi) The following Acts / Guidelines specifically applicable to the Company:
 - (a) Telecommunication Regulatory Authority of India Act, 1997

- (b) Information Technology Act, 2000
- (c) Indian Wireless Telegraphy Act, 1933
- (d) Indian Telegraph Act, 1885

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the "The Institute of Company Secretaries of India".
- (ii) The Listing Agreement entered into by the Company with BSE Ltd. and National Stock Exchange Ltd.

During the period under review and as per the explanations and clarifications given to us by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1) The Company has complied with the requirements of Corporate Governance as provided under Clause 49 of the Listing Agreement, with the exception of appointment of Independent Directors to the extent of 1/3rd of the total strength of the Board. It is clarified by the Company that the matter is being pursued with the Government of India for indicating a suitable name for the Company to consider the appointment as Independent Directors on the Board.
- 2) The Company has not published its audited financial results for the financial year ended 31st March, 2015 within the prescribed time limit under Clause 41 of the listing agreement with stock exchanges.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since

the same has been subject to review by statutory financial audit and other designated professionals.

I further report that –

The Board of Directors of the Company is constituted as per the Clause 49 of the Listing Agreement with balance of Executive Director and Non-Executive Directors with the exception mentioned in Point (1) above. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions in Board Meetings and Board Committee meetings are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operation of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had no specific events/actions having a major bearing on the Company's affairs in pursuance to the laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Mumbai
Date : 28/07/2015

(U. C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:**
L64200MH1986PLC039266
2. **Name of the Company:** Tata Communications Limited
3. **Registered address:** VSB, Mahatma Gandhi Road, Fort, Mumbai - 400001.
4. **Website:** www.tatacommunications.com
5. **E-mail id:** help@tatacommunications.com
6. **Financial Year reported:** 1 April 2014 to 31 March 2015
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** 9984 Telecommunications, Broadcasting and Information Supply Services
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
 - a) Global Voice Solutions (GVS) and
 - b) Global Data Managed Services (GDMS)
9. **Total number of locations where business activity is undertaken by the Company**
 - i. **Number of International Locations (Provide details of major 5) :** As on 31 March 2015, the Company has 42 subsidiaries in 35 countries.
 - ii. **Number of National Locations:** The Company has offices in all major cities in India.
10. **Markets served by the Company - Local/State/National/International**
The Company along with its subsidiaries provides telecommunication services across the globe.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR) :** ₹285 crores
2. **Total Turnover (INR):**

	Standalone ₹ in Crores	Consolidated ₹ in Crores
Revenue from telecommunication services	4,316.03	19,909.02
Other Operating Income	3.32	4.32
Other Income	670.53	396.46
Total Turnover	4,989.88	20,309.80

3. Total profit after taxes (INR):

	Standalone ₹ in Crores	Consolidated ₹ in Crores
Profit / (loss) after taxes	674.62	2.95

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%).

During the year 2014-15, ₹5.31 Crores was spent on CSR and Affirmative Action.

5. List of activities in which expenditure in 4 above has been incurred:-

- a. Entrepreneurship
- b. Education and Life Skills Development
- c. Education
- d. Social Development and Environment concerns
- e. Health care support
- f. Social Consciousness

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

Yes

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

The BR initiatives are driven by the parent company and all the subsidiaries contribute towards such initiatives as and when required.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company does not make it mandatory for its suppliers/distributors to participate in its BR initiatives.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

- **DIN Number:** 01204665
- **Name:** Vinod Kumar
- **Designation:** Managing Director & Group CEO

b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Aadesh Goyal
3.	Designation	Chief Human Resource Officer & Global HR Head
4.	Telephone number	+91 11 66505060
5.	e-mail id	aadesh.goyal@tatacommunications.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.tatacommunications.com/downloads/investors/business_responsibility_policies.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
6.	Any other reason (please specify)									

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

Annually

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

No

Section E: Principle-wise performance

Principle 1

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No.**

No

Does it extend to the Group/Joint entries/Suppliers/Contractors/NGOs/Others?

All the Tata Communications companies in India and across the globe are covered by the policy.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Given below are the statistics of the Whistle Blower cases received and actioned during financial year 2014-15:

Financial Year	Complaints reported, investigated and closed	Complaints found to be valid and actioned
2014-15	17 (includes 2 complaints which are under investigation)	8
Total	17 (includes 2 complaints which are under investigation)	8

Principle 2

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is in the business of providing telecommunication services. The Company believes that it must work toward “taking less.” The Company is moving ahead with the following objectives;

- Reducing its own footprint
- Influencing its customers and suppliers to encourage them to reduce their footprints
- Engaging with its employees to help reduce their personal footprints

In consonance with the Tata initiatives on the Greening front, the Company has imbibed the Tata vision and strives to:

- be the benchmark in their segment of industry on the carbon footprint, for their plants and operations.
- engage actively in climate change advocacy and the shaping of regulations in different business sectors.

The Company accordingly has been incorporating ‘green’ perspective in all key organizational processes.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**
- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The company is concerned about the energy efficiency and continuously updates its Power Usage Effectiveness (PUE) data which is an indication of efficiency of its data centers. The same is reviewed and monitored as Carbon Footprint (CFP) reduction plan by the Board. As a company, it is actively engaged in securing and investing in renewable energy resources and as of FY 15, the total quantum

of energy procured from renewable sources was more than 50 Million units which is >25% of its annual energy bill.

The Company is also an ISO 14000 compliant organization with regular audits and all processes are aligned with respect to the safe disposal of wastes and all emission are within the limits prescribed by the Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

The Company has taken an aggressive target to reduce Carbon Foot print in a major way as follows:

- In FY 2012 ~15 Million units of wind power and achieved reduction of ~12600 MT of carbon.
- In FY 2013 ~24 Million units of wind power and achieved ~20160 MT of carbon reduction.
- In FY 15, more than 50 Million units were procured and consumed from wind and solar power plants resulting in ~42000 Tons of carbon reduction.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has strategies and green initiatives to address the global environment issues. The Company has already published Carbon Foot Print (CFP) for its operations and is in public domain with CDP- Carbon Disclosure Project. The Company's efforts to restore the environment cover the Company and also extend to the group and associates like suppliers and contractors.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is engaged in the business of providing international telecommunication services. The criteria for procurement of goods and services are reliability, quality and price.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Tata Communications is engaged in telecom service provisioning. Therefore, the Company's nature of business is such that it does not result in significant emissions or creation of significant process wastes. The Company's products and initiatives are also aimed to enable customers worldwide to leverage communication solutions to reduce their own company's carbon footprint. As a responsible corporate, the Company is committed to bringing efficiencies in its Greening efforts. The Company's efforts to restore the environment also extend to the group and associates like suppliers and contractors.

Principle 3

1. Please indicate the Total number of employees.

The Company along with its subsidiaries employs 6678 people as on 31 March 2015

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Onroll Employees - 6,678
Offroll Employees - 417
Total Employees - 7,095

3. Please indicate the Number of permanent women employees.

1,151 permanent women employees (17.23% of total onroll employees)

4. Please indicate the Number of permanent employees with disabilities

Tata Communications Limited provides equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality and different ability status.

5. Do you have an employee association that is recognised by management.

Yes

6. What percentage of your permanent employees is members of this recognised employee association?

5.28% of the total onroll employees are members of the recognised employee association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	2	1
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

The Company conducts safety training such as fire drills for all its employees periodically. The Company has in place a structured training program for its employees.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

During the year, Company mapped and carried out socio-economic benchmarking of its key communities and conducted needs assessment survey for identifying various CSR initiatives in the areas of education, employability, entrepreneurship and healthcare for its stakeholders from vulnerable

and disadvantaged and marginalised sections of the society.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

The Company has identified through baseline surveys, some of the disadvantaged and marginalised stakeholders in and around its larger operations in India. The Company demonstrated its social responsibilities by assisting communities by actively implementing developmental projects in the thrust areas of Education, Employability and Entrepreneurship. The implementation of the CSR programs in the given focus areas is done through not-for-profits and other partners with relevant experience and credibility.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

During the year, Company has undertaken several initiatives for the upliftment of disadvantaged and marginalised communities in and around its larger operations.

The key deliverables achieved from the CSR and Affirmative Action programmes during FY 2014-15 are as follows:-

Thrust Areas	Key deliverables/Impact
Education	4754 students covered through scholarships, teachers training, academic assistance, computer literacy training, sports, digital medium and Internet access in Delhi, Pune, Mumbai and Bangalore
Employability	853 women and youth have been trained in vocational skills, housekeeping, plumbing, electrical, BPO trades and computers etc.
Entrepreneurship	93 candidates trained ; 53 candidates have successfully set up their units in Pune

Community Initiatives	90 employees actively participated and run for the cause of prevention of cancer and skill development for marginalised youth in Kolkata and New Delhi.
Disaster Relief & Rehabilitation	Donated ₹ 15 lakh towards relief for Jammu and Kashmir floods to Tata Relief Committee. Encouraged employees' contribution (voluntarily by 704 employees) reaching up to 11 lakh. Deployed 24 INMARSAT sets in the initial stage through Army Headquarters and the National Disaster Relief Force [NDRF] 4 Relief Volunteers were identified for helping TSG with relief work. Co-ordination unit provided through work station and relief material supply chain space in two locations in Delhi.
Employee Volunteering	Total no. of volunteers 2006; Volunteering hours- 4800; Locations - 7 India. Causes served: education, health, Telecom, environment, art appreciation, differently-abled, Cancer/AIDS, youth and women empowerment. Launched employee payroll giving program

Principle 5

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company's policy on human rights covers the Company and its subsidiaries.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

None

Principle 6

- Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

Yes, it covers the Company and also extends to its subsidiaries and associates, suppliers and contractors subject to it being limited to the Company's contracts and arrangements.

- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. The Company has strategies and green initiatives to address the global environment issues. The Company has already filed its first CDP report in FY 14 with a score of 64 and is in the process of publishing CDP report for FY 15 for its operations and it shall be on public domain by Q2 of FY 15 with Carbon Disclosure Project.

- Does the company identify and assess potential environmental risks? Y/N**

Yes. The environment risk and consequential issues arising out of it are part of risk assessment and mitigation process.

- Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No, the Company does not have any current project on Clean Development Mechanism.

- Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes. The company is concerned about the energy efficiency and continuously updates its Power Usage Effectiveness (PUE) data which is an indication of efficiency of its data centres. The same is reviewed and monitored as Carbon Foot Print reduction plan by the Board of the Company. The Company is actively engaged in securing and investing in renewable energy resources and as of FY 15, the total quantum of energy procured from renewable

sources is more than 50 M units which is more than 25% of its annual energy bill.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the Company is ISO 14000 compliant with regular audits and all processes are aligned with respect to the safe disposal of wastes and all emissions are within the limits prescribed by the Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no show cause notices issued by any statutory authorities for non-compliances from CPCB/SPCB.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company participates in the stakeholder consultations with the Department of Telecom, Government of India, Telecom Regulatory Authority of India including interactions between industry associations like FICCI, ISPAI and relevant Ministries (Department of Telecom, Department of Information Technology, Ministry of Home Affairs) to support long term policy formulation in the Telecom sector as well to deal with the critical operational/business issues being consulted upon by the relevant Authorities.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

In order to bring transparency in its decision making process, the Telecom Regulatory Authority of India has evolved a consultative process wherein on important issues pertaining to telecom sector,

consultation papers are issued by it eliciting response from the stakeholders including Tata Communications Ltd. The Consultation Paper post the response from all the stakeholders is followed by an open house discussion wherein all the stakeholders put forward their views on the issued involved in the consultation. Tata Communications Ltd. participates in all such consultation processes which are relevant to its line of business and put forth its view in a fair and transparent manner.

The Company also gives its inputs to the Government/Regulator as and when the same is called for.

The Company performs the function of policy advocacy in a transparent and responsible manner while engaging with all the Authorities and while doing so it takes into account both its corporate as well as the larger national interest.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes the company has specified programmes/initiatives/ projects in pursuit of Principle - 8. The initiatives are as under:

- a) Tata Communications expresses its social responsiveness by empowering communities and enabling them through programs in the fields of education, employability, entrepreneurship, community initiatives and disaster relief and rehabilitation. Volunteering has been a common thread in all its focus areas. Employees of Tata Communications across the globe have been volunteering enthusiastically for various causes - ranging from children in distress to mentally-challenged adults.
- b) Primarily focusing on the disadvantaged communities around major operational and business locations, the target groups of stakeholders being addressed through the volunteering programs include children, youth, women, aged and physically/mentally-challenged people.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

The programmes/projects are managed by in-house team of CSR in collaboration with external recognised NGOs and other organizations.

3. Have you done any impact assessment of your initiative?

The impact assessment are conducted by the implementing partners and shared with the Company.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Please see Annexure I to the Directors' Report - Annual Report on CSR Activities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company's community development projects are based on the model of community ownership. Majority of the long term projects are envisaged, identified and executed with a delivery model which is later adopted by the community. The Entrepreneurship development programme for the weaker entrepreneur sections and the life skills development programmes for the youth are self-sustainable projects. The students' scholarship programmes aim at making the students

independent and capable of earning decent livelihood.

Principle 9

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

The Company is engaged in the business of providing national and international telecommunication services; hence this is not applicable.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)

The Company being in the business of providing telecommunication services; the same is not applicable .

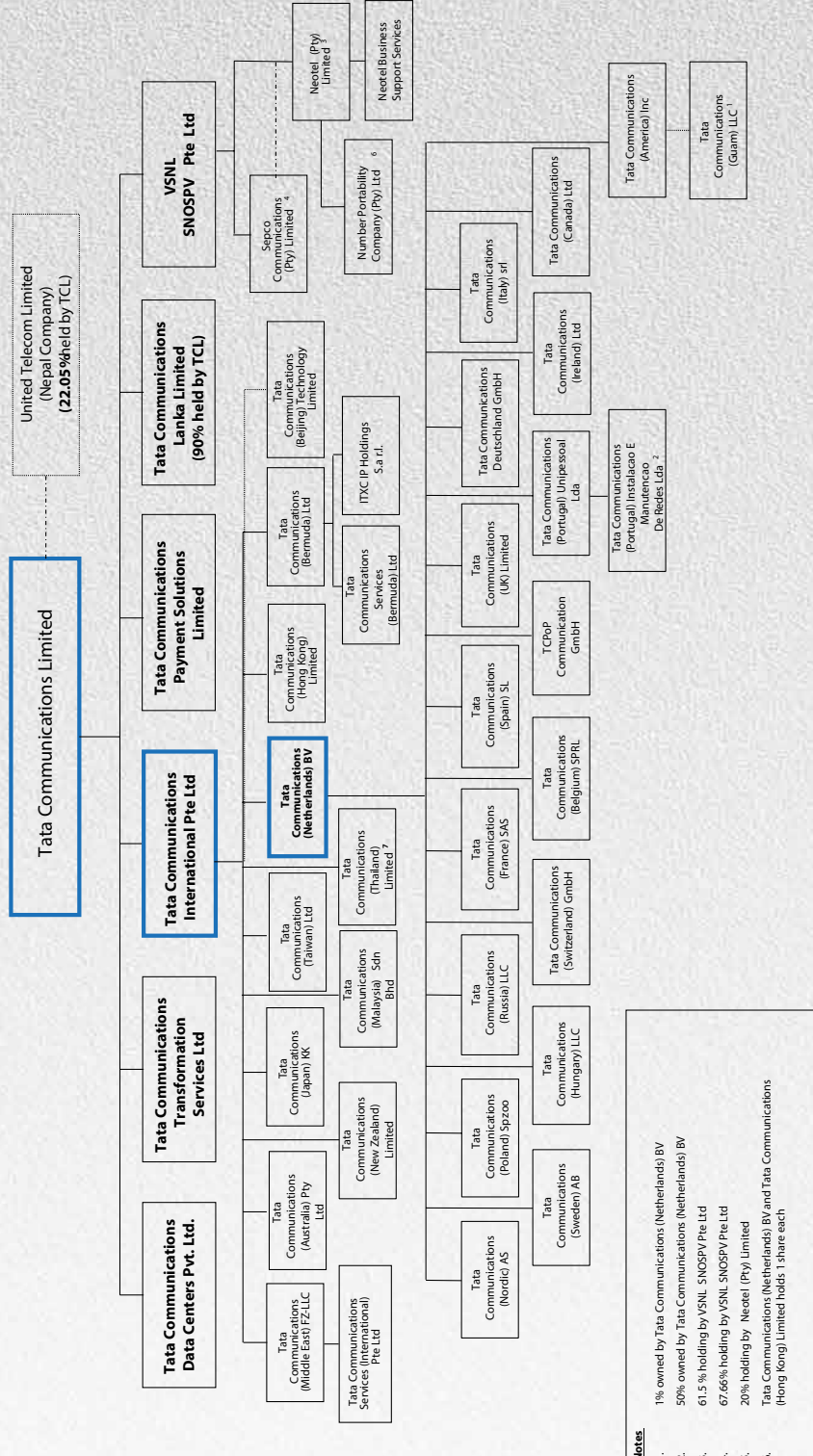
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

There are no cases pending against the Company regarding unfair trade practices, abuse of dominant position or anti-competitive practices.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Customer satisfaction surveys are conducted once every year and improvement actions are taken on the basis of the surveys.

CORPORATE STRUCTURE AS ON 31 MARCH 2015



Notes:

- 1% owned by Tata Communications (Netherlands) BV
- 50% owned by Tata Communications (Netherlands) BV
- 61.5 % holding by VSNL SNO SPV Pte Ltd
- 67.66% holding by VSNL SNO SPV Pte Ltd
- 20% holding by Neotel (Pty) Limited
- Tata Communications (Netherlands) BV and Tata Communications (Hong Kong) Limited holds 1 share each

Financial Statements

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TATA COMMUNICATIONS LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Tata Communications Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with generally accepted accounting practice - also refer Note 35 and 36(a)(ii to v) to the financial statements;
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants
(Firm's Registration No. 101496W)

R. A. BANGA
Partner
(Membership No. 037915)

Mumbai, July 28, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
2. In respect of the Company's inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us, the Company has granted unsecured loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
 - a) The receipts of principal amounts and interest have been regular / as per stipulations.
 - b) There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year-end.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposits during the year and accordingly the question of complying with Section 73 and Section 76 of the Companies Act, 2013 does not arise. In respect of unclaimed deposits, the Company has complied with the provision of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) Details of dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ crores)
Income Tax Act, 1961	Income Tax	Appellate Authority - Tribunal Level	AY 2007-08 and 2008-09	306.78
Income Tax Act, 1961	Income Tax - TDS	Appellate Authority - Commissioner (Appeal) (TDS)	AY 2007-08 to 2015-16	15.56
Income Tax Act, 1961	Income Tax - TDS	Appellate Authority - Commissioner (Appeal) (TDS)	AY 2009-10 to 2011-12	1.33
Income Tax Act, 1961	Income Tax	Appellate Authority - Deputy Commissioner of Income tax	AY 1997-1998, 2009-10 to 2010-11	304.09
Central Sales Tax/Sales Tax Laws	Sales Tax	West Bengal Commercial Tax Appellate and Revision Board	FY 2006-07, 2007-08, 2011-12	1.27
VAT Laws	VAT	Joint Commissioner of Commercial Taxes	FY 2009-10	0.18

Out of the total disputed dues aggregating ₹ 629.21 crores as above, ₹ 306.78 crores has been stayed for recovery by the respective authorities.

- (d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
8. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by wholly owned subsidiaries from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
12. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants
(Firm's Registration No. 101496W)

R. A. BANGA
Partner
(Membership No. 037915)

Mumbai, July 28, 2015

BALANCE SHEET AS AT 31 MARCH 2015

Particulars	Note No.	As at 31 March 2015 ₹ in crores	As at 31 March 2014 ₹ in crores
A EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	285.00	285.00
(b) Reserves and surplus	4	8,066.83	7,600.61
		8,351.83	7,885.61
(2) Non-current liabilities			
(a) Long-term borrowings	5	155.00	210.00
(b) Other long-term liabilities	6	446.49	428.69
(c) Long-term provisions	7	154.13	123.67
		755.62	762.36
(3) Current liabilities			
(a) Short-term borrowings	8	370.64	316.18
(b) Trade payables	9	1,016.45	1,144.56
(c) Other current liabilities	10	635.92	982.48
(d) Short-term provisions	11	602.46	437.92
		2,625.47	2,881.14
Total		11,732.92	11,529.11
B ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12(i)	3,984.41	4,112.62
(ii) Intangible assets	12(ii)	189.98	124.56
(iii) Capital work-in-progress		235.95	310.04
		4,410.34	4,547.22
(b) Non-current investments	13	3,267.85	2,068.66
(c) Deferred tax assets (net)	14	180.27	92.92
(d) Long-term loans and advances	15	1,781.36	2,321.51
(e) Other non-current assets	16	8.08	8.08
		5,237.56	4,491.17
(2) Current assets			
(a) Current investments	17	856.47	934.31
(b) Inventories - stores and spares		3.95	4.15
(c) Trade receivables	18	717.63	685.44
(d) Cash and bank balances	19	152.86	522.63
(e) Short-term loans and advances	20	346.39	334.77
(f) Other current assets	21	7.72	9.42
		2,085.02	2,490.72
Total		11,732.92	11,529.11

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For S. B. BILLIMORIA & CO.
Chartered Accountants

SUBODH BHARGAVA
Chairman

VINOD KUMAR
Managing Director & Group CEO

R. A. BANGA
Partner

PRATIBHA K. ADVANI
Chief Financial Officer

SATISH RANADE
Company Secretary

MUMBAI
DATED: 28 July 2015

MUMBAI
DATED: 28 July 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Note No.	Year ended 31 March 2015 ₹ in crores	Year ended 31 March 2014 ₹ in crores
1 Income from operations			
(a) Revenue from telecommunication services		4,316.03	4,330.05
(b) Other operating income	22	3.32	46.35
2 Other Income	23	670.53	463.95
3 Total Revenue (1 + 2)		4,989.88	4,840.35
4 Expenses:			
Network and transmission	24	1,673.44	1,875.95
Employee benefits	25	728.50	640.81
Operating and other expenses	26	889.44	861.70
Finance cost	27	25.25	59.51
Depreciation and amortisation (net of transfer from Capital Reserve)	12	718.94	680.23
Total Expenses		4,035.57	4,118.20
5 Profit before exceptional items and taxes (3 - 4)		954.31	722.15
6 Exceptional items gain (net)	28	48.96	81.33
7 Profit before tax (5 + 6)		1,003.27	803.48
8 Tax expense:			
(a) Current tax		399.36	353.01
(b) Deferred tax		(70.71)	(91.96)
Net tax expenses		328.65	261.05
9 Profit for the year (7 - 8)		674.62	542.43
Earnings per share (of ₹ 10 each)			
Basic/ Diluted earnings per share (₹)	31	23.67	19.03

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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DATED: 28 July 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Year ended 31 March 2015 ₹ in crores	Year ended 31 March 2014 ₹ in crores
CASH FLOWS FROM OPERATING ACTIVITIES		
1 PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS	1,003.27	803.48
<i>Adjustments for:</i>		
Depreciation and amortisation expense	718.94	680.23
Profit on sale of fixed assets (net) (Refer b below)	(99.66)	(8.45)
Fixed assets written down	1.43	0.83
Interest income	(63.46)	(22.27)
Finance cost	25.25	59.51
Gain on sale of current investments (net)	(73.66)	(70.66)
Dividend income from subsidiaries	(69.32)	(63.71)
Exchange fluctuation on Loans to related parties/short-term borrowings	(0.23)	3.60
Provisions for doubtful trade receivables	24.75	31.43
Provision for diminution in value of inventories	3.27	2.36
Input credit against certain statutory obligations (Refer note 28)	-	(216.22)
Provisions for doubtful advances	(0.14)	0.57
Diminution in value of investments and provision for advances (Refer note 28)	35.82	134.89
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,506.26	1,335.59
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(3.07)	(2.31)
Trade receivables	(56.94)	84.31
Short-term loans and advances	82.38	(134.65)
Long-term loans and advances	(7.44)	(50.27)
Other current assets	0.55	18.49
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(128.11)	67.86
Other current liabilities	(4.12)	136.11
Other long-term liabilities	17.80	38.34
Short-term provisions	(0.48)	3.76
Long-term provisions	30.46	2.14
Cash generated from operations before tax and exceptional items	1,437.29	1,499.37
Net income tax refund / (paid)	23.71	(295.15)
NET CASH FLOW FROM OPERATING ACTIVITIES	1,461.00	1,204.22
2 CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets including capital advances	(563.00)	(634.52)
Proceeds from sale of fixed assets	104.21	20.71
Purchase of non-current investments	(1,235.05)	(160.15)
Purchase of current investments	(10,663.85)	(10,179.37)
Proceeds from sale of current investments	10,815.35	9,778.13
Sale proceeds on account of IDC division (Refer note 4(iii))	-	433.93
Loans given to subsidiaries during the year	(224.00)	(430.94)
Loans realised from subsidiaries during the year	355.00	81.21
Dividend income from subsidiaries	69.32	63.71
Interest received from subsidiaries	51.49	11.56
Interest received from others	13.12	3.09
Earmarked funds	(0.97)	(0.91)
NET CASH FLOW USED IN INVESTING ACTIVITIES	(1,278.38)	(1,013.55)
3 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	252.45	195.19
Repayment of short-term borrowings	(216.10)	(43.56)
Repayment of long-term borrowings	(415.00)	-
Dividends paid including dividend tax	(138.25)	(90.23)
Finance cost	(41.22)	(58.97)
Net increase / (decrease) in working capital borrowings	4.76	-
NET CASH FLOW (USED IN)/ FROM FINANCING ACTIVITIES	(553.36)	2.43
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	(370.74)	193.10
	310.87	317.77
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (Refer note 19 - Cash and bank balances)	140.13	510.87

Notes:

a. Figures in brackets represent outflows.

b. Profit on sale of fixed assets includes profit on sale of land and building in Mumbai which is included as part of exceptional items amounting to ₹ 84.78 crores.

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For S. B. BILLIMORIA & CO.
Chartered Accountants

SUBODH BHARGAVA
Chairman

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Chief Financial Officer

SATISH RANADE
Company Secretary

 MUMBAI
DATED: 28 July 2015

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DATED: 28 July 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Corporate information:

TATA Communications Limited ("the Company") was incorporated on 19 March 1986. The Government of India vide its letter No. G-25015/6/86OC dated 27 March 1986, transferred all assets and liabilities of the Overseas Communications Service ("OCS") (part of the Department of Telecommunications, Ministry of Communications) as appearing in the Balance sheet as at 31 March 1986 to the Company with effect from 01 April 1986. During the year 2007-08, the Company changed its name from Videsh Sanchar Nigam Limited to Tata Communications Limited and the fresh certificate of incorporation consequent upon the change of name was issued by the Registrar of Companies, Maharashtra on 28 January 2008.

The Company offers international and national voice and data transmission services, selling and leasing of bandwidth on undersea cable systems, internet dial up and broadband services, and other value-added services comprising telepresence, managed hosting, mobile global roaming and signalling services, transponder lease, television uplinking and other services.

2. Significant accounting policies

a. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

The preparation of the financial statements requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to the contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful trade receivables and advances, employee benefits, provision for income taxes, impairment of assets and useful lives of fixed assets.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

c. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e. Fixed assets

- i. Tangible and intangible assets are stated at cost of acquisition or construction, less accumulated depreciation/amortisation and impairment loss, if any. Cost includes inward freight, duties, taxes and all incidental expenses incurred on making the assets ready for their intended use.
- ii. Indefeasible Rights of Use (IRUs) for international and domestic telecommunication circuits are classified under fixed assets. The IRU agreements transfer substantially all the risks and rewards of ownership to the Company.
- iii. Jointly owned assets are capitalised in proportion to the Company's ownership interest in such assets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- iv. Cost of borrowing related to the acquisition or construction of fixed assets that are attributable to the qualifying assets are capitalised as part of the cost of such asset. All other borrowing costs are recognised as expenses in the periods in which they are incurred.
- v. Capital work-in-progress includes projects under which tangible fixed assets are not yet ready for their intended use and are carried at cost, comprising direct cost, directly attributable cost and attributable interest.
- vi. Assets acquired pursuant to an agreement for exchange of similar assets are recorded at the net book value of the asset given up, with an adjustment for any balancing receipt or payment of cash or any other form of consideration.

f. Depreciation/ amortisation

The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013 ("the Act") except in respect of the following categories of assets where the lives of the assets are other than the prescribed lives in the Act.

Tangible and Intangible assets	Useful lives of Assets
i. Plant and Machinery (Refer 1 below)	
Network Equipment and Component	3 to 8 years
Sea cable	20 years or Contract period whichever is earlier
Land cable	15 years or Contract period whichever is earlier
Integrated Building Management Systems	8 years
ii. Leasehold Land and Improvements	Over the lease period
iii. Software and Application (Refer 2 below)	3 to 6 years

- 1. In these cases, the lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.
- 2. The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

g. Impairment

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

- i. an intangible asset that is not yet available for use; and
- ii. an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

h. Operating leases

Lease arrangements where the risk and rewards incidental to ownership of an asset substantially vest with the lessor are classified as an operating lease.

Rental income and rental expenses on assets given or obtained under operating lease arrangements are recognised on a straight line basis over the term of the lease in Statement of Profit and Loss.

The initial direct costs relating to operating leases are recorded as expenses as they are incurred.

i. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments comprising investments in mutual funds are stated at the lower of cost and fair value, determined on an individual investment basis.

j. Inventories

Inventories of stores and spares are valued at the lower of cost or net realisable value. Cost includes all expenses incurred to bring the inventory to its present location and condition. Cost is determined on a weighted average basis.

k. Employee benefits

Employee benefits include contributions to provident fund, employee state insurance scheme, gratuity fund, compensated absences and post-employment medical benefits.

i. Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives payable within twelve months.

ii. Post employment benefits

Contributions to defined contribution retirement benefit schemes are recognised as expenses when employees have rendered services entitling them to the contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

l. Revenue recognition

- i. Revenues from Voice Solutions (VS) are recognised at the end of each month based upon minutes of traffic completed in such month.
- ii. Revenues from Data Managed Services (DMS) are recognised over the period of the respective arrangements based on contracted fee schedules.
- iii. Revenues from right to use of fibre capacity provided based on IRU are recognised over the period of such arrangements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)**m. Other income**

- i. Dividends from investments are recognised when the right to receive payment is established and no significant uncertainty as to collectability exists. Interest income is accounted on an accrual basis.
- ii. Guarantee fees are accrued over the period in which the Company has provided the respective guarantees.

n. Export incentive

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and there is a reasonable assurance that the Company will comply with the conditions attached to them. Export incentives are included in other operating income.

o. Taxation

- i. Current tax expense is determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax assets and liabilities are measured using the tax rates, which have been enacted or substantively enacted at the balance sheet date. Deferred tax expense or benefit is recognised on timing differences being the differences between taxable incomes and accounting incomes that originate in one period and are capable of reversing in one or more subsequent periods.
- ii. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available to realise these assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.
- iii. Provision for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting them on an assessment year basis.
- iv. Current and deferred tax relating to items directly recognised in the reserves are recognised in the reserves and not in the Statement of Profit and Loss.

p. Foreign currency transactions and translations

- i. Foreign currency transactions are converted into Indian Rupees at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities outstanding as at the balance sheet date are translated to Indian Rupees at the closing rates prevailing on the balance sheet date. Exchange differences on foreign currency transactions are recognised in the Statement of Profit and Loss. The exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.
- ii. Premium or discount on forward contracts are amortised over the life of such contracts and recognised in the Statement of Profit and Loss. Forward contracts outstanding as at the balance sheet date are stated at exchange rates prevailing at the reporting date and any gains or losses are recognised in the Statement of Profit and Loss. Profit or loss arising on cancellation or enforcement/ exercise of forward exchange is recognised in the Statement of Profit and Loss in the period of such cancellation or enforcement/ exercise.

q. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

r. **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events if any of a bonus issue to existing shareholders or a share split.

s. **Segment reporting**

- i. The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/ loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.
- ii. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue and segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
- iii. Revenue and expenses which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue/ expenses/ assets/ liabilities".

t. **Contingent liabilities and provisions**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

u. **Derivative financial instruments**

Gains and losses on hedging instruments designated as hedges of the net investments in foreign operations are recognised in foreign currency translation reserve to the extent that the hedging relationship is effective. The premium or discount on such hedging instruments does not form part of the hedging relationship and hence they are marked to market at the balance sheet date. Gains and losses relating to hedge ineffectiveness are recognised immediately in the Statement of Profit and Loss. Gains and losses accumulated in the foreign currency translation reserve are transferred to the Statement of Profit and Loss when the foreign operation is disposed off.

3. **Share Capital**

	(₹ in crores)	
	As at 31 March 2015	As at 31 March 2014
a. Authorised:		
400,000,000 (2014: 400,000,000) Equity shares of ₹ 10 each	400.00	400.00
b. Issued, Subscribed and Paid up:		
285,000,000 (2014: 285,000,000) Equity shares of ₹ 10 each, fully paid up	285.00	285.00
a. Issued, Subscribed and Paid up:		

There was no movement in the issued, subscribed and paid up share capital of the Company during the current and past five financial years.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares with a face value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share at any general meeting of shareholders. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

The Board of Directors have recommended a dividend of ₹ 5.50 (2014: ₹ 4.50) per share for the year ended 31 March 2015.

c. Number of shares held by each shareholder holding more than 5% of the issued share capital:

	As at 31 March 2015		As at 31 March 2014	
	No of shares	Percentage	No of shares	Percentage
Panatone Finvest Limited	88,626,654	31.10%	88,626,654	31.10%
Government of India	74,446,885	26.12%	74,446,885	26.12%
Tata Sons Limited	37,237,639	13.07%	37,237,639	13.07%

4. Reserves and surplus

	(₹ in crores)	
	As at 31 March 2015	As at 31 March 2014
a. Capital Reserve (Refer i below)		
Opening balance	206.06	206.47
Less: Depreciation on gifted assets transferred to Statement of Profit and Loss	-	(0.41)
Closing balance	206.06	206.06
b. Debenture Redemption Reserve		
Opening balance	437.94	350.13
Add: Transferred from Surplus in Statement of Profit and Loss (Refer note 5i and 5ii)	-	87.81
Less: Transfer to General Reserve on redemption of debentures (Refer note 5i and 5ii)	(340.00)	-
Closing balance	97.94	437.94
c. Securities Premium		
Opening balance	725.01	725.01
Closing balance	725.01	725.01
d. General Reserve		
Opening balance	4,875.35	4,821.11
Add: Transferred from Surplus in Statement of Profit and Loss	67.46	54.24
Add: Transferred from Debenture Redemption Reserve (Refer note 5i and 5ii)	340.00	-
Closing balance	5,282.81	4,875.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
e. Foreign Exchange Translation Reserve		
Opening balance	28.07	26.47
Add: Effect of foreign exchange rate variations during the year (Refer ii below)	-	1.60
Closing balance	28.07	28.07
f. Surplus in Statement of Profit and Loss		
Opening balance	1,328.18	1,102.23
Add: Depreciation on transition to Schedule II of the Companies Act 2013 on tangible fixed assets with nil remaining useful lives (net of deferred tax of ₹ 16.64 crores) (Refer note 12(f))	(31.52)	-
Add: Profit for the year	674.62	542.43
Less: Adjustment pursuant to scheme of arrangement related to the period prior to 31 March 2013 (Refer iii below)	-	(33.38)
Proposed Dividend (Refer note 3b)	(156.75)	(128.25)
Tax on Dividend (net of dividend tax credit in respect of earlier year ₹ 11.78 crores (2014: ₹ 9 crores))	(20.13)	(12.80)
Transferred to General Reserve	(67.46)	(54.24)
Transferred to Debenture Redemption Reserve (Refer note 5i and 5ii)	-	(87.81)
Closing balance	1,726.94	1,328.18
Total	8,066.83	7,600.61

- i. Capital Reserve includes ₹ 205.22 crores in respect of foreign exchange gains on unutilised proceeds from Global Depository Receipts in earlier years.
- ii. The Company has accounted for the effects of revaluation of loans given to VSNL SNOSPV Pte. Ltd. which forms part of net investments in non-integral foreign operations in the foreign exchange translation reserve in accordance with the applicable accounting standards.
- iii. The Board of Directors of the Company at its meeting held on 1 March 2013 had approved the "Scheme of Arrangement" between Tata Communications Limited ("TCL") with its wholly owned subsidiary, Tata Communications Data Centers Private Limited ("TCDC") (formerly known as S & A Internet Services Private Limited) pursuant to the provisions of Section 391 to 394 and other relevant provisions of the Companies Act, 1956 ("the Scheme") for transfer of the Internet Data Center ("IDC") division (Colocation service division of TCL) of the Company on a going concern basis to TCDC from 1 January 2012 being the appointed date.

The Scheme of Arrangement for transfer of the IDC division was sanctioned by the Hon'ble Bombay High Court vide its Order dated 24 January 2014 and became effective from 1 March 2014, being the date of filing of the Order with the Registrar of Companies.

In accordance with the said Scheme,

- a. All the assets, debts, liabilities and obligations of IDC division of the Company have been vested in the TCDC with effect from 1 January 2012 and have been recorded at their respective book values. As on 1 January 2012, the net book value of total assets and liabilities were ₹ 472.38 crores and ₹ 38.45 crores respectively.
- b. Accordingly, to give effect to the Scheme, net profits of the IDC division for the period from 1 January 2012 to 31 March 2013 amounting to ₹ 33.38 crores (net of taxes) had been debited to the Surplus in Statement of Profit and Loss of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
5. Long-term borrowings

		(₹ in crores)	
		As at	As at
		31 March 2015	31 March 2014
I.	Debentures		
a.	Secured		
	Taxable Rated Secured Non-Convertible Redeemable Debentures (Refer i below)		
	50, 11.25% Rated Debentures of face value ₹ 10 lakhs each	5.00	5.00
	550, 11.20% Rated Debentures of face value ₹ 10 lakhs each	55.00	55.00
	1,900, 11.00% Rated Debentures of face value ₹ 10 lakhs each	-	190.00
b.	Unsecured		
	Taxable Rated Unsecured Non-Convertible Redeemable Debentures (Refer ii below)		
	1,500, 9.85% Rated Debentures of face value ₹ 10 lakhs each	150.00	150.00
	1,500, 9.50% Rated Debentures of face value ₹ 10 lakhs each	-	150.00
II	Term Loan - Unsecured		
	From bank (rate of interest 9% p.a.)	-	75.00
		210.00	625.00
	Less: Current maturities of long term borrowings	(55.00)	(415.00)
		155.00	210.00

i. Secured Debentures;

The outstanding debentures of ₹ 60 crores (interest ranging from 11.20% to 11.25%, face value of ₹ 1,000,000 each) are secured by a first legal mortgage and charge on the Company's plant and machinery (2014: debentures were secured by a first legal mortgage and charge on the Company's free hold land at Perambur Barracks, Chennai and plant and machinery).

The outstanding debentures are due for redemption as given below:

Date of redemption as per terms of issue	50, 11.25% Debentures	550, 11.20% Debentures
₹ in crores		
23 January 2019	5	-
23 January 2016	-	55
Total	5	55

For facilitating the above redemptions, the Company has created a debenture redemption reserve of ₹ 32.43 crores (2014: ₹ 222.43 crores), and an amount of ₹ Nil (2014: ₹ 42.83 crores) has been appropriated during the current year.

During the current year, 1,900 11.00% debentures aggregating ₹ 190 crores were redeemed and consequently debenture redemption reserve of ₹ 190 crores created to facilitate the redemption of above debentures was transferred to General reserve.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
ii. Unsecured Debentures;

The outstanding 1,500, 9.85% debentures amounting to ₹ 150 crores are due for redemption on 2 July 2019.

For facilitating the above redemptions, the Company has created a debenture redemption reserve of ₹ 65.51 crores (2014: ₹ 215.51 crores) and an amount of ₹ Nil (2014: ₹ 44.98 crores) has been appropriated during the current year.

During the current year, 1,500 9.50% debentures aggregating ₹ 150 crores were redeemed and consequently debenture redemption reserve of ₹ 150 crores created to facilitate the redemption of above debentures was transferred to General reserve.

6. Other long-term liabilities

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Deferred revenue	426.04	403.26
b. Accrued payroll	20.45	25.43
	446.49	428.69

7. Long-term provisions

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Provision for employee benefits (Refer note 29):		
Provision for compensated absences	59.63	50.78
Provision for post-employment medical benefits	84.77	61.42
Provision for pension benefits	0.68	2.40
b. Provision for contingencies (Refer note 35)	9.05	9.07
	154.13	123.67

8. Short-term borrowings

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
Short Term Loans (Unsecured)		
<u>From banks</u>		
a. Buyers credit	365.88	316.18
(rate of interest per annum - 2015: 0.84% to 1.25%) (2014: 0.92% to 1.17%)		
b. Bank Overdraft	4.76	-
	370.64	316.18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
9. Trade payables

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Network and transmission expenses payable (Refer note 41)	838.83	1,018.26
b. Payables to related parties	57.19	27.01
c. Accrued payroll	120.43	99.29
	1,016.45	1,144.56

10. Other current liabilities

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Current maturities of long term borrowings (Refer note 5)	55.00	415.00
b. Deferred revenues and advances received from customers	194.99	212.94
c. Interest accrued but not due on loans from banks	12.58	28.55
d. Licence fees payable	61.66	67.34
e. Deposits from customers and contractors	39.18	38.92
f. Government of India account	20.57	20.57
g. Unpaid dividend (Refer i below)	0.40	0.38
h. Statutory liabilities		
- Service tax payable	62.30	65.35
- TDS Payable	15.44	4.00
i. Capital creditors	153.20	119.69
j. Gratuity (Refer note 29)	10.31	4.05
k. Other liabilities	10.29	5.69
	635.92	982.48

i. There are no dividends due and outstanding for a period exceeding seven years.

11. Short-term provisions

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Provision for employee benefits (Refer note 29)		
Provision for compensated absences	6.16	7.10
Provision for post-employment medical benefits	6.51	6.08
b. Provision for proposed dividend	156.75	128.25
c. Tax on dividend	31.91	21.80
d. Provision for taxes (net of advance tax of ₹ 1,099.69 crores (2014: ₹ 833.32 crores)	400.35	273.94
e. Provision for others	0.78	0.75
	602.46	437.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

12. Fixed assets

i. Tangible assets

(₹ in crores)

	Free hold Land	Leasehold Land	Leasehold Improvements	Building	Plant and Machinery	Furniture and Fixtures	Office Equipment	Computers	Motor Vehicles	Total
Gross Block										
At 1 April 2013	15.15	202.53	0.72	544.95	7,885.76	147.05	100.66	325.36	0.57	9,222.75
Adjustment pursuant to the scheme of arrangement (Refer note 4 (iii))	-	-	-	-	(555.76)	(24.93)	(58.22)	(6.03)	-	(644.94)
Additions	0.11	-	-	-	373.36	3.21	1.84	17.68	-	396.20
Disposals	-	-	-	(3.24)	(23.86)	(0.07)	(0.07)	(1.55)	(0.07)	(28.86)
Adjustments	0.23	-	-	(0.29)	(4.70)	0.13	0.02	0.76	-	(3.85)
At 31 March 2014	15.49	202.53	0.72	541.42	7,674.80	125.39	44.23	336.22	0.50	8,941.30
Additions	-	-	-	64.33	482.58	12.38	7.06	30.06	-	596.41
Disposals	(0.04)	-	-	(3.71)	(3.88)	(0.13)	(0.07)	(6.07)	-	(13.90)
Adjustments	-	-	-	-	(4.81)	(5.67)	10.34	(11.20)	(0.07)	(11.41)
At 31 March 2015	15.45	202.53	0.72	602.04	8,148.69	131.97	61.56	349.01	0.43	9,512.40
Accumulated Depreciation										
At 1 April 2013	-	21.12	0.72	78.55	4,063.78	74.81	27.89	260.40	0.57	4,527.84
Adjustment pursuant to the scheme of arrangement (Refer note 4 (iii))	-	-	-	-	(292.64)	(9.25)	(12.10)	(3.16)	-	(317.15)
Depreciation/ Amortisation	-	2.57	-	8.78	596.54	6.20	2.17	22.21	-	638.47
Disposals	-	-	-	(0.87)	(15.04)	(0.06)	(0.03)	(1.39)	(0.07)	(17.46)
Adjustments	-	-	-	(0.02)	(3.64)	0.01	-	0.63	-	(3.02)
At 31 March 2014	-	23.69	0.72	86.44	4,349.00	71.71	17.93	278.69	0.50	4,828.68
Depreciation/ Amortisation	-	2.57	-	16.46	631.66	15.84	18.54	33.56	0.01	718.64
Disposals	-	-	-	(1.14)	(2.01)	(0.13)	(0.07)	(6.00)	-	(9.35)
Adjustments	-	-	-	-	(4.42)	(4.88)	8.46	(9.06)	(0.08)	(9.98)
At 31 March 2015	-	26.26	0.72	101.76	4,974.23	82.54	44.86	297.19	0.43	5,527.99
Net Block										
At 31 March 2014	15.49	178.84	-	454.98	3,325.80	53.68	26.30	57.53	-	4,112.62
At 31 March 2015	15.45	176.27	-	500.28	3,174.46	49.43	16.70	51.82	-	3,984.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
ii. Intangible assets

(₹ in crores)

	Goodwill	Software & Application	Total
Gross Block			
At 1 April 2013	113.14	320.93	434.07
Adjustment pursuant to the scheme of arrangement (Refer note 4 (iii))	-	(9.86)	(9.86)
Additions	-	33.99	33.99
Disposals	-	(2.18)	(2.18)
Adjustments	-	(0.65)	(0.65)
At 31 March 2014	113.14	342.23	455.37
Additions	-	113.88	113.88
Disposals	-	-	-
Adjustments	-	-	-
At 31 March 2015	113.14	456.11	569.25
Accumulated Amortisation			
At 1 April 2013	113.14	182.39	295.53
Adjustment pursuant to the scheme of arrangement (Refer note 4 (iii))	-	(4.92)	(4.92)
Depreciation/ Amortisation	-	42.17	42.17
Disposals	-	(1.32)	(1.32)
Adjustments	-	(0.65)	(0.65)
At 31 March 2014	113.14	217.67	330.81
Depreciation/ Amortisation	-	48.46	48.46
Disposals	-	-	-
Adjustments	-	-	-
At 31 March 2015	113.14	266.13	379.27
Net Block			
At 31 March 2014	-	124.56	124.56
At 31 March 2015	-	189.98	189.98

- a. Freehold land includes ₹ 0.16 crores (2014: ₹ 0.16 crores) identified as surplus land.
- b. Gross block of buildings includes:
 - ₹ 32.75 crores (2014: ₹ 32.75 crores) for flats at Mumbai in respect of which agreements have not been executed.
- c. Gross block and accumulated depreciation of plant and machinery include Indefeasible Rights of Use (IRUs) for domestic and international telecommunication circuits of ₹ 421.01 crores (2014: ₹ 405.89 crores) and ₹ 256.70 crores (2014: ₹ 234.78 crores) respectively. The lives of IRUs has been estimated at the lower of the lives of the cables or the period of the IRU agreements.
- d. Gross block and accumulated depreciation of plant and machinery include proportionate amounts towards share of assets held jointly with other enterprises of ₹ 1,068.00 crores (2014: ₹ 1,013.55 crores) and ₹ 511.09 crores (2014: ₹ 452.22 crores) respectively.
- e. Finance cost capitalised during the year is ₹ 10.13 crores (2014: ₹ 7.06 crores) in respect of capital expenditure.
- f. Depreciation on fixed assets has been provided on the straight-line method from the month of addition. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

April 2014, the Company has revised the estimated useful lives of some of its assets to align the useful lives with those specified in Schedule II. The details are as follows:

Asset	Previous useful lives	Revised useful lives
Building	58 years 3 months	60 years
Computers		
- Computers and end point equipment	5 years 10 months	3 years
- IT servers	5 years 10 months	6 years
Office equipment	20 years	5 years
Furniture and fixtures	15 years	10 years
Plant & Machinery		
- Electrical installation and equipment	8 years	10 years
- Network switching unit and Earth station	12 years	13 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful lives of the asset was determined to be nil as on 1 April 2014, and has adjusted an amount of ₹ 31.52 crores (net of deferred tax of ₹ 16.64 crores) against the opening surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

- g. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 33.62 crores consequent to the change in the useful lives of the assets.
- h. Depreciation and amortisation expenses:

	<i>(₹ in crores)</i>	
	Year ended 31 March 2015	Year ended 31 March 2014
Depreciation and amortisation for the year on tangible assets as per note 12(i) above	718.64	638.47
Amortisation for the year on intangible assets as per note 12(ii) above	48.46	42.17
Less : Depreciation on tangible assets transferred to Surplus in Statement of Profit and Loss	48.16	-
Less : Depreciation on gifted assets transferred from Capital Reserve	-	0.41
Depreciation and amortisation expenses	718.94	680.23

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
13. Non-current investments

	As at 31 March 2015		As at 31 March 2014	
	No of shares	₹ in crores	No of shares	₹ in crores
(₹ in crores)				
Investment (Trade) (at cost, unless otherwise specified)				
a. Fully Paid Equity Shares (Quoted)				
i. Pendrell Corporation (formerly known as New ICO Global Communications (Holdings) Limited) (Class A common stock of US\$ 0.01 each)	680,373	0.01	680,373	0.01
Subtotal (i)		0.01		0.01
b. Fully Paid Equity Shares (Unquoted)				
i. In subsidiaries				
Tata Communications Lanka Limited (Equity shares of LKR 10 each)	13,661,422	7.41	13,661,422	7.41
Tata Communications International Pte. Ltd. *(Equity shares of US\$ 1 each) (Refer I below)	110,810,000	474.23	110,810,000	474.23
VSNL SNOSPV Pte. Ltd. * (Equity shares of US\$ 1.00 each) (Refer II below)	769,333	3.29	769,333	3.29
Tata Communications Transformation Services Limited (Equity shares of ₹ 10 each)	500,000	0.50	500,000	0.50
Tata Communications Payment Solutions Limited (Equity shares of ₹ 10 each) (Refer IV below)	372,714,284	512.00	362,714,284	477.00
Tata Communications Data Centers Private Limited (Equity shares of ₹ 10 each)	50,000	0.05	50,000	0.05
TCNL 1 BV (Equity shares of Euro 1 each)		-	5,400	0.04
Subtotal (ii)		997.48		962.52
ii. In an Associate (Previous year Joint Venture)				
United Telecom Limited (Equity shares of NRS 100 each) (Refer III below)	5,731,900	35.82	5,731,900	35.82
Subtotal (iii)		35.82		35.82
iii. Others				
Tata Teleservices Ltd. * (Equity shares of ₹ 10 each)	439,863,622	933.75	439,863,622	933.75
Green Infra Wind Farms Limited (Equity shares of ₹ 10 each)	78,000	0.08	78,000	0.08
Green Infra Wind Generation Limited (Equity shares of ₹ 10 each)	108,000	0.10	108,000	0.10
ReNew Wind Energy (Karnataka) Pvt Ltd (Equity shares of ₹ 10 each)	32,000	0.32	32,000	0.32
Radhapura Wintech Private Limited (Equity shares of ₹ 10 each)	19,370	0.02	19,370	0.02
Smart ICT Services Private Limited (Equity shares of ₹ 10 each)	9,500	0.01	9,500	0.01
Subtotal (iv)		934.28		934.28

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	As at 31 March 2015		As at 31 March 2014	
	No of shares	₹ in crores	No of shares	₹ in crores
(₹ in crores)				
c. Non Convertible Debentures (Unquoted)				
i. In subsidiaries				
Tata Communications Data Centers Private Limited (9.75% Redeemable non-convertible debentures of ₹ 10,00,000 each - date of redemption - 17 June 2017)	3,500	350.00		-
Subtotal (v)		350.00		-
d. Fully Paid Preference Shares (Unquoted)				
i. In subsidiaries				
Tata Communications International Pte. Ltd * (Cumulative convertible redeemable Preference Shares of US \$ 1 each) (Refer I below)	30,955,250	139.32	30,955,250	139.32
VSNL SNOSPV Pte. Ltd * (Cumulative convertible redeemable Preference shares of US \$ 1 each) (Refer II below)	24,680,000	118.71	24,680,000	118.71
Tata Communications Payment Solutions Limited (12% Cumulative redeemable Preference shares of ₹ 10 each) (Refer IV below)	85,000,000	850.00		-
Subtotal (vi)		1,108.03		258.03
ii. Others				
Smart ICT Services Private Limited (10% Cumulative non-convertible redeemable Preference shares of ₹ 10 each)	54,208	0.05		-
Subtotal (vii)		0.05		-
Total Non current investments (Gross)		3,425.67		2,190.66
Provision for diminution in value of investment in VSNL SNOSPV Pte. Ltd and United Telecom Limited * (Refer II and III below)		(157.82)		(122.00)
Total Non current investments (Net)		3,267.85		2,068.66
Market value of quoted investments (Gross)		5.53		7.46
Book value of quoted investments (Gross)		0.01		0.01
Book value of unquoted investments (Gross)		3,425.66		2,190.65

* Equity investments on these companies are subject to certain restrictions on transfer as per the terms of individual contractual agreements

I. The Company has an investment of ₹ 474.23 crores (2014: ₹ 474.23 crores) in equity shares and ₹ 139.32 crores (2014: ₹ 139.32 crores) in preference shares of Tata Communications International Pte. Ltd ("TCIPL"). In the opinion of the management, having regard to the nature of these subsidiaries' businesses and future business projections, there is no diminution, other than temporary in the value of investment despite significant accumulated losses.

II. During the year, Vodacom Group Limited and all the shareholders of Neotel including VSNL SNOSPV Pte Ltd have agreed on the commercial structure and terms for Vodacom Group Limited to acquire 100% shares of Neotel from all such shareholders. The structure of the deal and its commercial terms are subject to regulatory and competition authority approvals and the parties have commenced the necessary process in this regard. The Company has made a provision of ₹ 134.29 crores (2014: ₹ 134.89 crores) ₹ 122.00 crores (2014: ₹ 122.00 crores) being the entire carrying amounts of investments and advances of ₹ 12.29 crores (2014: ₹ 12.89 crores) to SNOSPV. (Refer note 15 and 20).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- III. United Telecom Limited ("UTL") passed a resolution on 4 September 2014, wherein the joint venture agreement between the shareholders of UTL was amended to the effect that certain major decisions of UTL would require the affirmative vote of a two-third majority of the directors compared to the earlier clause which required the affirmative vote of all directors. This led to the termination of joint control and consequently the joint venture status in UTL. The Company has made a provision of ₹ 35.82 crores in respect of the diminution in the value other than temporary of equity investment in UTL.
- IV. The Company has an investment of ₹ 512.00 crores (2014: ₹ 477.00 crores) in equity shares and ₹ 850.00 crores (2014: ₹ Nil) in preference shares of Tata Communications Payment Solutions Limited ("TCPSP"). In the opinion of the management, having regard to the nature of the subsidiary business and future business projections, there is no diminution, other than temporary in the value of investment despite significant accumulated losses.

14. Deferred tax assets (net)

(₹ in crores)

Major components of deferred tax asset and liability consist of the following:

	As at	As at
	31 March 2015	31 March 2014
Deferred tax assets arising out of timing differences on:		
Provision for doubtful trade receivables	82.05	72.21
Provision for compensated absence	22.13	13.02
Expenditure incurred on NLD licence fees	10.93	12.52
Expenditure disallowed u/s. 40 (a) (ia)	163.93	112.62
Unearned income and deferred revenues	6.23	7.48
Interest received on provisional income-tax assessment	18.18	27.83
Revaluation loss on buyers credit	4.21	12.38
Others	34.00	40.46
Total deferred tax assets	(A) 341.66	298.52
Deferred tax liability arising out of timing differences on:		
Difference between accounting and tax depreciation/ amortisation	161.39	205.60
Total deferred tax liabilities	(B) 161.39	205.60
Deferred tax assets (net)	(A - B) 180.27	92.92

15. Long-term loans and advances

(₹ in crores)

	As at	As at
	31 March 2015	31 March 2014
a. Capital advances:		
i. Unsecured, Considered good	1.57	41.23
ii. Unsecured, Considered doubtful	6.01	6.01
Less: provision for doubtful advances	(6.01)	(6.01)
	1.57	41.23
b. Security deposits:		
i. Unsecured, Considered good	37.12	33.99
ii. Unsecured, Considered doubtful	2.57	2.21
Less: provision for doubtful security deposits	(2.57)	(2.21)
	37.12	33.99

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
c. <u>Loans to related parties: (Refer i below)</u>		
i. Unsecured, Considered good	320.25	531.66
ii. Unsecured, Considered doubtful	12.29	12.30
Less: provision for doubtful loans (Refer note 13 (II))	(12.29)	(12.30)
	320.25	531.66
d. Prepaid expenses - Unsecured, considered good	6.73	5.79
e. Advance tax (net of provisions of ₹ 4,820.69 crores (2014: ₹ 4,832.47 crores)) - Unsecured, considered good	1,332.14	1,628.80
f. Amount paid under protest (Refer note 36(a)(3)(iii))	25.58	25.58
g. <u>Other advances/receivables</u>		
i. Unsecured, Considered good	57.97	54.46
ii. Unsecured, Considered doubtful	1.02	0.92
Less: provision for doubtful advances	(1.02)	(0.92)
	57.97	54.46
	1,781.36	2,321.51

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
i. Loan to related parties comprises of Loan given to subsidiaries as follows:		
1. VSNL SNOSPV Pte. Ltd.	12.29	12.30
2. Tata Communications Payment Solutions Limited	-	225.00
3. Tata Communications International Pte. Ltd.	320.25	306.66
Total	332.54	543.96

16. Other non-current assets

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Pension contributions recoverable from Government of India (net) (Refer i below)	7.44	7.44
b. NLD licence fees reimbursement recoverable from Government of India	0.64	0.64
	8.08	8.08
i. As at 31 March 2015 the proportionate share of pension obligations and payments of ₹ 61.15 crores (2014: ₹ 61.15 crores) to the erstwhile Overseas Communications Service ("OCS") employees was recoverable from the Government of India ("the Government"). Pursuant to discussions with the Government, the Company had made a provision of ₹ 53.71 crores (2014: ₹ 53.71 crores) resulting in a net amount due from the Government towards its share of pension obligations of ₹ 7.44 crores (2014: ₹ 7.44 crores).		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
17. Current investments

	As at 31 March 2015		As at 31 March 2014	
	No of units	₹ in crores	No of units	₹ in crores
Investments in Mutual Funds (Unquoted)				
Axis Bank Debt Fund - Direct - Growth	275,368	35.35	172,851	20.25
Baroda Pioneer Treasury Advantage Fund - Growth-Direct	158,188	25.27	328,948	47.99
Baroda Pioneer Liquid Fund - Plan B - Growth	-	-	263,751	38.75
Birla Sunlife Cash Plan - Growth - Direct	-	-	6,082,787	125.00
Birla Sunlife Cash Manager - Direct - Growth	750,156	25.60	-	-
Birla Sunlife Floating Rate Long Term Plan - Growth - Direct	-	-	4,554,599	69.80
HDFC Banking and PSU Debt Fund -Growth - Direct	22,703,743	25.00	-	-
HDFC Cash Mgmt Fund - Savings Plan - Growth-Direct	17,120,004	50.00	-	-
HDFC Floating Rate Income Fund - STP Direct - Growth	-	-	11,507,964	25.18
ICICI Prudential Banking and PSU Fund - Direct - Growth	18,521,535	28.88	36,183,181	50.86
ICICI Prudential Ultra Short Term Plan - Direct - Growth	46,496,219	66.56	58,411,694	75.79
ICICI Prudential Flexible Income Plan - Direct - Growth	1,988,514	52.41	4,797,733	115.32
ICICI Prudential Liquid Fund - Direct Growth	-	-	5,272,588	100.00
IDFC Money Manager Fund - Treasury Plan - Direct - Growth	11,421,004	25.34	12,399,000	25.14
JPMorgan India Liquid Fund - Super IP - Growth	-	-	21,082,305	35.00
Kotak Liquid Scheme - Plan - A- Direct - Growth	287,310	81.50	-	-
Kotak Treasury Advantage - Direct Growth	11,276,162	25.17	-	-
L & T Cash Fund - Direct - Growth	142,487	16.13	-	-
Reliance Liquid Fund - Cash Plan - Growth	112,091	25.21	-	-
Religare Credit Opportunities Fund - Direct - Growth	327,674	52.44	276,837	40.38
Religare Ultra Short Term Fund -Direct - Growth	199,835	38.72	196,087	34.78
SBI Mangnum Insta Cash Liquid Floater Plan - Direct - Growth	105,343	25.17	111,780	24.50
SBI Treasury Advantage Fund - Direct - Growth	162,232	25.24	-	-
Sundaram Ultra Short Term - Direct Growth	26,606,218	51.25	20,210,262	35.57
Tata Money Market Fund - Growth - Direct	453,764	100.00	173,348	35.00
Templeton India TMA - Super IP -Direct - Growth	-	-	183,161	35.00
Templeton Low Duration Fund - Direct - Growth	22,883,917	35.29	-	-
UTI Banking & PSU Debt Fund - Direct - Growth	22,727,868	25.16	-	-
UTI Treasury Advantage Fund - IP- Direct- Growth	109,423	20.78	-	-
Total		856.47		934.31
Book value of unquoted investments		856.47		934.31

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
18. Trade receivables - Unsecured

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	51.25	44.18
Doubtful	238.71	204.43
	289.96	248.61
Less: Provision for doubtful trade receivables	(238.71)	(204.43)
	51.25	44.18
 Other trade receivables		
Considered good	666.38	641.26
Doubtful	-	9.53
	666.38	650.79
Less: Provision for doubtful trade receivables	-	(9.53)
	666.38	641.26
	717.63	685.44

19. Cash and bank balances

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
<u>Cash and Cash Equivalents:</u>		
a. Cash on hand	0.05	0.05
b. Cheques on hand	-	8.81
c. Remittances in transit	0.91	7.68
d. Current accounts with scheduled banks	49.17	50.83
e. Deposit accounts with scheduled banks	90.00	443.50
	140.13	510.87
 <u>Other Bank Balances:</u>		
In earmarked accounts		
a. Unpaid dividend accounts	0.40	0.39
b. Balances held as margin money or security against borrowings, guarantees and other commitments	12.33	11.37
	152.86	522.63

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
20. Short-term loans and advances

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. <u>Loans and advances to related parties</u> (Refer note 33 and i below):		
i. Unsecured, Considered good	133.69	72.37
ii. Unsecured, Considered doubtful	-	0.59
Less: provision for doubtful advances (Refer note 13 (II))	-	(0.59)
	133.69	72.37
b. Security Deposits - Unsecured, Considered good	4.93	4.91
c. Loans and advances to employees - Unsecured, Considered good	2.78	3.02
d. Prepaid expenses - Unsecured, Considered good	71.16	56.86
e. Balance with government authorities - Unsecured, Considered good: Service tax recoverable	107.25	133.23
f. <u>Others:</u>		
i. Advance to contractors and vendors	4.06	5.80
ii. Other advances	16.04	12.23
iii. Export incentive receivable	-	46.35
iv. Advance to Provident fund trust	6.48	-
	26.58	64.38
	346.39	334.77

i. Includes loan given to Tata Communications Data Centers Private Limited amounting to ₹ 94 crores.

21. Other current assets

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Interest receivable (Refer i below)	7.68	8.83
b. Others	0.04	0.59
	7.72	9.42

i. Interest receivable includes interest due from subsidiaries of ₹ 6.65 crores (2014: ₹ 6.95 crores)

22. During the year, the Company has received duty credit scrips aggregating ₹ 3.32 crores (2014: ₹ 46.35 crores) in respect of foreign exchange earnings to be utilised towards import duty. This is included in Other Operating Income.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
23. Other income

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
a. <u>Interest Income</u>		
i. Bank deposits	12.19	3.35
ii. Others (Refer i below)	51.27	18.92
b. Dividend income from investment in subsidiaries	69.32	63.71
c. Profit on sale of current investments	73.66	70.66
d. Profit on sale of fixed assets (net)	13.45	8.45
e. Rent (Refer ii below)	82.80	70.22
f. Exchange gain (net)	5.13	(3.55)
g. Provisions/ liabilities no longer required - written back	9.26	4.70
h. Interest on income tax refund	130.94	5.42
i. Guarantee income from subsidiaries	147.15	152.66
j. Shared service fees from subsidiaries	62.97	60.38
k. Others	12.39	9.03
	670.53	463.95
i. Interest on others includes ₹ 51.22 crores (2014: ₹ 18.90 crores) from subsidiaries.		
ii. Includes ₹ 75.96 crores (2014: ₹ 63.01 crores) from subsidiaries.		

24. Network and transmission

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
a. Charges for use of transmission facilities	1,494.36	1,687.71
b. Royalty and licence fee to Department of Telecommunications	167.05	171.68
c. Rent of landlines and satellite channels	12.03	16.56
	1,673.44	1,875.95

25. Employee benefits

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
a. Salaries and related costs	623.09	554.15
b. Contributions to provident, gratuity and other funds (Refer note 29)	39.47	34.00
c. Staff welfare expenses	65.94	52.66
	728.50	640.81

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
26. Operating and other expenses

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
a. Consumption of stores	20.37	17.83
b. Light and power (net of recoveries of ₹ 138.88 crores (2014: ₹ 100.84 crores))	79.00	84.51
c. Repairs and Maintenance:		
i. Buildings	25.79	16.70
ii. Plant and machinery	162.73	133.06
iii. Others	1.11	0.22
d. Provision for doubtful trade receivables	24.75	31.43
e. Provision for doubtful advances	(0.14)	0.57
f. Rent	35.55	36.96
g. Rates and taxes	17.28	36.03
h. Travelling	37.97	33.18
i. Telephone	18.51	20.53
j. Printing, postage and stationery	2.87	2.97
k. Legal and professional fees	55.54	68.56
l. Advertising and publicity	20.97	20.73
m. Commissions	22.93	15.59
n. Services rendered by agencies	214.34	230.07
o. Insurance	7.55	7.29
p. Corporate social responsibility expenditure (Refer i below)	5.31	-
q. Other expenses (Refer note 30)	137.01	105.47
	889.44	861.70

- i. As required by the Companies Act, 2013 and rules thereon, gross amount required to be spent by the Company during the year toward Corporate Social Responsibility (CSR) amount to ₹ 9.80 crores (2014: Nil). The Company has spent ₹ 5.31 crores (2014: Nil) during the year on CSR activities mainly for promotion of education, social business projects, etc.

27. Finance cost

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
Interest on loans	3.53	8.47
Interest on debentures	30.62	56.65
Other interest	1.23	1.45
Less: Interest capitalised	(10.13)	(7.06)
	25.25	59.51

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

28. Exceptional items gain (net)

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
a. Input credit against certain statutory obligations (Refer i below)	-	216.22
b. Gain/ (loss) on sale of fixed assets (net) (Refer ii below)	84.78	-
c. Provision for investments and advances (Refer note 13 (III))	(35.82)	(134.89)
	48.96	81.33

i. During the previous year, the Company has recognised ₹ 216.22 crores towards input credits against certain statutory obligations relating to earlier periods which have been accounted for on crystallisation of the entitlements to such credits.

ii. During the year, the Company sold land and building in Mumbai for a consideration of ₹ 85.50 crores resulting in a profit on sale of fixed assets of ₹ 84.78 crores.

29. Employee Benefits

i. **Defined Contribution Plan** - The Company makes contributions towards a provident fund under a defined contribution retirement benefit plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Communications Employees' Provident Fund Trust and by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

The rules of the Company's Provident Fund administered by the Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under the applicable law for the reason that the return on investment is lower or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future. There has also been no such deficiency since the inception of the Fund.

Provident fund contributions amounting to ₹ 22.54 crores (2014: ₹ 20.52 crores) have been charged to the Statement of Profit and Loss, under Contributions to provident, gratuity and other funds in note 25 "Employee benefits".

ii. **Defined Benefit Plan**

Gratuity:

The Company makes annual contributions under the Employees Gratuity scheme to a fund administered by Trustees covering all eligible employees. The plan provides for lump sum payments to employees whose right to receive gratuity had vested at the time of resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service except in case of death.

Medical Benefit:

The Company reimburses domiciliary and hospitalisation expenses not exceeding specified limits incurred by eligible and qualifying employees and their dependent family members under the Tata Communications Employee's Medical Reimbursement Scheme.

Pension Plan:

The Company's pension obligations relate to certain employees transferred to the Company from the Overseas Communications Service ("OCS") an erstwhile department of Ministry of Commerce, Government of India. The Company purchases life annuity policies from an insurance company to settle such pension obligations. During the year, the Company has incurred a charge of ₹ 6.94 crores (2014: ₹ 10.53 crores) to meet the additional pension obligation on account of increase in Pension and Dearness Allowance and has been included under Contributions to provident, gratuity and other funds in note 25 "Employee benefits".

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

The details in respect of the status of funding and the amounts recognised in the Company's financial statements for the year ended 31 March 2015 for these defined benefit schemes are as under:

	(₹ in crores)			
	Gratuity (Funded)		Medical Benefits	
	As at 31 March		(Unfunded) As at 31 March	
	2015	2014	2015	2014
I Change in the defined benefit obligation				
Liability at the beginning of the period	59.94	57.71	67.50	56.76
Current service cost	4.46	4.60	0.30	0.65
Interest cost	5.34	4.39	5.83	4.26
Liability transferred to other companies	(6.99)	(1.52)	-	-
Actuarial (gain)/loss on obligations	8.57	(1.54)	27.25	12.90
Benefits paid	(4.96)	(3.70)	(9.60)	(7.07)
Liability at the end of the period	66.36	59.94	91.28	67.50

	(₹ in crores)			
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
II Change in Fair Value of Assets				
Opening fair value of plan assets	55.89	50.23	-	-
Expected return on plan assets	4.42	4.16	-	-
Employer's contribution	3.73	7.23	-	-
Transfer to other companies	(6.99)	(2.37)	-	-
Actuarial gain	3.96	0.34	-	-
Benefits paid	(4.96)	(3.70)	-	-
Closing fair value of plan assets	56.05	55.89	-	-

	(₹ in crores)			
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
III Amount recognised in the balance sheet				
Liability at the end of the period	66.36	59.94	91.28	67.50
Fair value of plan assets at the end of the period	(56.05)	(55.89)	-	-
Net liability in the balance sheet	10.31	4.05	91.28	67.50
Current liability (Refer note 10)	10.31	4.05	-	-
Short term provision (Refer note 11)	-	-	6.51	6.08
Long term provision (Refer note 7)	-	-	84.77	61.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	(₹ in crores)			
	Gratuity (Funded)*		Medical Benefits	
	Year ended 31 March		(Unfunded)**	
	2015	2014	2015	2014
IV Expenses recognised in the Statement of Profit and Loss				
Current service cost	4.46	4.60	0.30	0.65
Interest cost	5.34	4.39	5.83	4.26
Expected return on plan assets	(4.42)	(4.16)	-	-
Net actuarial loss/ (gain) to be recognised	4.61	(1.88)	27.25	12.90
Expense recognised in the Statement of Profit and Loss under Employee benefits (Refer note 25)	9.99	2.95	33.38	17.81

* Contributions to provident, gratuity and other funds

** Staff welfare expenses

	(₹ in crores)			
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
V Categories of plan assets as a percentage of total plan assets				
Cash and bank	10.64%	3.51%	-	-
Government securities	41.33%	30.88%	-	-
Corporate bonds	27.49%	46.52%	-	-
Equity	20.54%	19.09%	-	-
Total	100%	100%	-	-

The Company's policy and objective for plan assets management is to maximise return on plan assets to meet future benefit payment requirements while at the same time accepting a low level of risk. The asset allocation for plan assets is determined based on the investment criteria approved under the Income Tax Act, 1961 and is also subject to other exposure limitations.

	(₹ in crores)			
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
VI Principal Actuarial assumptions:				
Discount rate	7.80%	9.30%	7.80%	9.30%
Expected return on plan assets	8.00%	8.00%	-	-
Increase in compensation cost	6% to 10%	6% to 10%	6% to 10%	6% to 10%
Health care cost increase rate	-	-	6.00%	4.00%
Attrition rate	3% to 15%	3% to 15%	3% to 15%	3% to 15%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimates of future compensation cost considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

(₹ in crores)

	Gratuity (Funded) As at 31 March				
	2015	2014	2013	2012	2011
VII Experience adjustment					
Defined benefit obligation	(66.36)	(59.94)	(57.71)	(58.35)	(52.44)
Plan assets	56.05	55.89	50.23	51.50	48.86
Deficit	(10.31)	(4.05)	(7.48)	(6.85)	(3.58)
Exp. adj. on plan liabilities gain/ (loss)	(2.24)	(2.10)	(1.87)	6.68	(1.87)
Exp. adj. on plan assets gain/ (loss)	3.96	0.34	1.30	(0.80)	2.32
Actuarial gain/ (loss) due to change of assumptions	(6.33)	3.64	(2.19)	(8.19)	-
	Medical Benefit (Unfunded) As at 31 March				
	2015	2014	2013	2012	2011
Defined benefit obligation	(91.28)	(67.50)	(56.75)	(52.00)	(45.38)
Deficit	(91.28)	(67.50)	(56.75)	(52.00)	(45.38)
Exp. adj. on plan liabilities loss	(6.64)	(13.25)	(6.76)	(5.28)	-
Actuarial gain/ (loss) due to change of assumptions	(20.61)	0.35	(2.64)	(4.13)	-

VIII Effect of change in Assumed Health Care Cost Trend Rate. A one - percentage - point change in assumed health care cost trend rates would have the following effects:

(₹ in crores)

	31 March 2015		31 March 2014	
	Increase	Decrease	Increase	Decrease
Effect on service cost	0.05	0.04	0.01	0.01
Effect on interest cost	0.36	0.31	0.11	0.09
Effect on post employment benefit obligation	7.11	5.96	3.86	3.33

The Company expects to contribute ₹ 10.31 crores (2014: ₹ 4.05 crores) towards employer's contribution for funded defined benefit plans in financial year 2015-16.

IX. Leave plan and Compensated absences

For executives

Leave unavailed of by eligible employees may be carried forward/ encashed by them/ their nominees in the event of death or permanent disablement or resignation, subject to a maximum leave of 120 days in addition to accumulated leave balance available in accumulated quota.

For non executives

Leave unavailed of by eligible employees may be carried forward/ encashed by them/ their nominees in the event of death or permanent disablement or resignation, subject to a maximum leave of 300 days.

The liability for compensated absences as at the year end is ₹ 65.79 crores (2014: ₹ 57.88 crores) as shown under long term provisions ₹ 59.63 crores (2014: ₹ 50.78 crores) and short term provisions ₹ 6.16 crores (2014: ₹ 7.10 crores). The amount charged to the Statement of Profit and Loss under Salaries and related costs in note 25 "Employee benefits" is ₹ 20.03 crores (2014: ₹ 13.98 crores).

Refer table VI above for actuarial assumptions on compensated absences.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
30. Auditors' remuneration:

(Included in other expenses under operating and other expenses - Refer note 26)

	(₹ in crores)	
	Year Ended 31 March 2015	Year Ended 31 March 2014
Auditors' remuneration and expenses		
<i>(net of service tax input credit wherever applicable)</i>		
a. To statutory auditor		
i. For audit fees	2.20	1.40
ii. For taxation matters	0.30	0.50
iii. For other services	1.12	1.35
iv. For reimbursement of expenses	0.16	0.20
Auditors' remuneration excludes fees of ₹ 3.67 crores (2014: ₹ 3.51 crores) payable/ paid for professional services to a firm of chartered accountants in which some partners of the firm of statutory auditors are partners.		
b. To cost auditor for cost audit		
i. For cost audit services	0.05	0.06

31. Earnings per share

	(₹ in crores)	
	As at 31 March 2015	As at 31 March 2014
Net Profit after tax attributable to the equity shareholders	(A) 674.62	542.43
Number of equity shares outstanding at the end of the year	285,000,000	285,000,000
Weighted average number of shares outstanding during the year	(B) 285,000,000	285,000,000
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each)	(A/B) 23.67	19.03

32. Segment Reporting
a. Business Segments

The Company's reportable business segments are Voice Solutions (VS) and Data and Managed Services (DMS). The composition of the reportable segments is as follows:

Voice Solutions (VS)

VS includes international and national long distance voice services.

Data and Managed Services (DMS)

DMS includes corporate data transmission services, data centers, virtual private network signalling and roaming services, television and other network and managed services.

	Year ended 31 March 2015			Year ended 31 March 2014		
	VS	DMS	Total	VS	DMS	Total
Revenue from telecommunication services	848.04	3,471.31	4,319.35	1,119.22	3,257.18	4,376.40
Segment results	(436.70)	745.73	309.03	(337.01)	654.72	317.71
Finance cost			25.25			59.51
Unallocable income (net)			719.49			545.28
Profit before tax			1,003.27			803.48
Tax expense (net)			328.65			261.05
Profit for the year			674.62			542.43

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	Year ended 31 March 2015			Year ended 31 March 2014		
	VS	DMS	Total	VS	DMS	Total
Segment assets	370.13	4,848.60	5,218.73	429.33	4,970.42	5,399.75
Unallocable assets			6,514.19			6,129.36
Total Assets			11,732.92			11,529.11
Segment liabilities	261.32	1,817.63	2,078.95	230.83	1,928.03	2,158.86
Unallocated liabilities			1,302.14			1,484.64
Total Liabilities			3,381.09			3,643.50
Other Information:						
Capital expenditure (allocable)	26.25	684.04	710.29	13.73	416.46	430.19
Depreciation and amortisation (allocable)	41.52	677.42	718.94	45.23	635.00	680.23
Non-cash expense other than depreciation	1.99	25.89	27.88	0.06	34.30	34.36

- i. Revenues and interconnect charges are directly attributable to the segments. Network and transmission costs are allocated based on utilisation of network capacity. Licence fees for Voice Solutions and Data and Managed Services have been allocated based on adjusted gross revenues from these services.
- ii. Depreciation and certain other costs, which were hitherto not allocated to segments, have been allocated to segments during the current year based on various allocation parameters. Segment result is segment revenues less segment expenses. Other income and exceptional items have been considered as "Unallocable".

If the Company had continued with the earlier method of allocation parameters, the segment results for the year would have been as under:

	Year ended	
Segment results	March 31 2015	March 31 2014
Voice Solutions	(237.45)	(126.79)
Data and Managed Services	2,798.03	2,546.67
Total	2,560.58	2,419.88

- iii. Further assets and liabilities including fixed assets, which were earlier not allocated to segments, have been allocated to segments on similar basis of related revenue and expense.

b. Geographical Segments

The secondary reportable segments are Geographical and revenues have been allocated to countries based on location of the customers as follows:

	As at	
Segment revenues by Geographical Market	31 March 2015	31 March 2014
India	3,504.68	3,366.31
United Kingdom	56.82	107.60
United States of America	181.43	245.98
Netherlands*	177.08	321.73
Others	399.34	334.78
	4,319.35	4,376.40

All of the segment assets are located in India or in International territorial waters.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- * Netherlands includes amounts recorded as revenues from Tata Communications (Netherlands) BV of ₹ 171.09 crores (2014: ₹ 317.85 crores). Tata Communications (Netherlands) BV is a central contracting party and a transfer pricing administrator for inter-company transactions between Tata Communications Limited and its international subsidiaries.

From 1 April 2006, the Company adopted the Residual Profits Split Method ("RPSM") for recording transactions pertaining to International Telecommunications Services under its Transfer Pricing Policy. This policy governs the majority of the transactions between the Company and its international subsidiaries. The Company's subsidiary in the Netherlands is designated as the Central Contracting Party ("CCP") and Transfer Pricing Administrator ("TPA").

33. Related party transactions

i. Names of related parties and nature of relationship

Sr. No	Category of related parties	Names
a.	Investing Parties (Promoters)	Panatone Finvest Limited Tata Sons Limited
b.	Subsidiaries (Held Directly)	Tata Communications Payment Solutions Limited Tata Communications Transformation Services Limited Tata Communications International Pte. Ltd. VSNL SNO SPV Pte. Ltd Tata Communications Data Centers Private Limited Tata Communications Lanka Limited
c.	Subsidiaries (Held Indirectly)	Tata Communications (Australia) Pty Limited Tata Communications (Belgium) SPRL Tata Communications Services (Bermuda) Limited Tata Communications (Bermuda) Limited Tata Communications (Canada) Limited Tata Communications (America) Inc. Tata Communications (Thailand) Limited Tata Communications (Middle East) FZ-LLC Tata Communications (UK) Limited Tata Communications (France) SAS Tata Communications Deutschland GmbH Tata Communications (Guam) LLC Tata Communications (Hong Kong) Limited Tata Communications (Hungary) LLC Tata Communications (Ireland) Limited TCPoP Communications GmbH Tata Communications (Malaysia) Sdn. Bhd. Tata Communications (New Zealand) Limited Tata Communications (Taiwan) Limited Tata Communications (Italy) S.r.l Tata Communications (Japan) KK ITXC IP Holdings S.a r.l

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	Tata Communications (Nordic) AS
	Tata Communications (Poland) Sp. Zoo
	Tata Communications (Portugal) Unipessoal LDA
	Tata Communications (Portugal) Instalacao E Manutencao De Redes LDA
	Tata Communications (Puerto Rico) Inc (Liquidated on: 23 August 2013)
	Tata Communications (Russia) LLC
	Tata Communications Services (International) Pte. Ltd.
	Tata Communications (Spain) S.L
	Tata Communications (Sweden) AB
	Tata Communications (Switzerland) GmbH
	Tata Communications (Netherlands) B.V.
	Tata Communications Beijing (Technology) Limited
	BitGravity Inc. (merged with Tata Communications (America) Inc. w.e.f. 30 June 2014)
	Neotel (Pty) Ltd.
	SEPCO Communications Pty Ltd.
	Neotel Business Support Services (Pty) Ltd.
	TCNL1 B.V. (Liquidated w.e.f. 26 August 2014)
	TCNL2 B.V. (Liquidated w.e.f. 26 August 2014)
d. Joint Venture	United Telecom Limited (ceased w.e.f 4 September 2014)
e. Associate	United Telecom Limited (w.e.f 4 September 2014)
f. Associate of wholly owned subsidiary	Number Portability Company (Pty) Ltd.
g. Key Managerial Personnel	Mr Vinod Kumar Managing Director and Group CEO

ii. Summary of transactions and balances with related parties

Particulars	Investing Company	Subsidiaries	Key Management Personnel	Joint Venture /Associate	(₹ in crores)
					Total
Transactions during the year					
Dividend paid	56.64				56.64
	37.77				37.77
Brand equity expenses	10.20				10.20
	9.79				9.79
Revenue from telecommunication services	2.16	221.85		1.26	225.27
	1.71	439.63		2.80	444.14
Network and transmission		12.40		6.73	19.13
		15.45		12.55	28.00
Purchase of fixed assets		26.71			26.71
		-			-
Sale of fixed assets		11.49			11.49
		@			@

Note: @ represents transaction of amounts less than ₹ 50,000/-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

Particulars	(₹ in crores)				
	Investing Company	Subsidiaries	Key Management Personnel	Joint Venture /Associate	Total
Services rendered		144.38			144.38
		124.19			124.19
Services received	0.11	106.65			106.76
	0.02	53.20			53.22
Equity capital contribution		35.00			35.00
		160.04			160.04
Preference capital contribution		850.00			850.00
		-			-
Investment in debentures		350.00			350.00
		-			-
Interest income		51.22			51.22
		18.90			18.90
Dividend income		69.32			69.32
		63.71			63.71
Guarantee income		147.15			147.15
		152.66			152.66
Loan given		224.00			224.00
		430.94			430.94
Loan repaid		355.00			355.00
		81.21			81.21
Advances given by the Company (net)		466.37		@	466.37
		464.64		@	464.64
Advances taken by the Company (net)		584.65		@	584.65
		325.57		@	325.57
Purchase consideration for IDC business		-			-
		433.93			433.93
Managerial remuneration			12.84		12.84
			12.14		12.14
Balances as at 31 March 2015					
Receivables	0.84	81.39			82.23
	0.77	91.93			92.70
Payables	10.25	46.66	6.33	0.28	63.52
	9.79	14.19	6.05	1.15	31.18
Loans given (net of provision of ₹ 12.29 crores (2014: ₹ 12.30 crores)		414.25			414.25
		531.66			531.66
Advance receivable		39.68		0.01	39.69
		72.95		0.01	72.96
Advance payable		-			-
		1.88			1.88
Interest accrued-other deposits		6.65			6.65
		6.95			6.95

Note: @ represents transaction of amounts less than ₹ 50,000/-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

Particulars	Investing Company	Subsidiaries	Key Management Personnel	Joint Venture /Associate	(₹ in crores)
					Total
Guarantees on behalf of subsidiaries		13,451.48			13,451.48
		12,516.09			12,516.09
Letter of comfort on behalf of subsidiaries		3,858.89			3,858.89
		4,389.47			4,389.47

iii. Details of material transactions with related parties

Particulars	Investing Company	Subsidiaries	Key Management Personnel	Joint Venture/ Associate	(₹ in crores)
					Total
Dividend paid					
Panatone Finvest Limited	39.88				39.88
	26.59				26.59
Tata Sons Limited	16.76				16.76
	11.17				11.17
Brand equity expenses					
Tata Sons Limited	10.20				10.20
	9.79				9.79
Revenue from telecommunication services					
Tata Communications (Netherlands) BV		171.17			171.17
		318.02			318.02
Network and transmission					
Tata Communications (Netherlands) BV		5.62			5.62
		6.76			6.76
United Telecom Limited				6.73	6.73
				12.55	12.55
Neotel Pty Ltd		6.79			6.79
		8.69			8.69
Purchase of fixed assets					
Tata Communications (Bermuda) Limited		25.26			25.26
		-			-
Sale of fixed assets					
Tata Communications (America) Inc		1.26			1.26
		-			-
Tata Communications Data Center Private Limited		8.16			8.16
		-			-
Neotel Pty Ltd		-			-
		@			@

Note: @ represents transaction of amounts less than ₹ 50,000/-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	Investing Company	Subsidiaries	Key Management Personnel	Joint Venture/ Associate	Total (₹ in crores)
Services rendered					
Tata Communications Data Centers Private Limited		125.18 115.42			125.18 115.42
Guarantee income					
Tata Communications (Netherlands) BV		63.64 56.63			63.64 56.63
Tata Communications International Pte. Ltd.		83.31 93.13			83.31 93.13
Services received					
Tata Communications Transformation Services Limited		75.88 33.18			75.88 33.18
Tata Communications Data Centers Private Limited		30.40 19.54			30.40 19.54
Equity capital contribution					
Tata Communications Payment Solutions Limited		35.00 160.00			35.00 160.00
Preference capital contribution					
Tata Communications Payment Solutions Limited		850.00 -			850.00 -
Investment in debentures					
Tata Communications Data Centers Private Limited		350.00 -			350.00 -
Interest income					
Tata Communications International Pte. Ltd.		13.16 11.39			13.16 11.39
Tata Communications Data Centers Private Limited		27.10 0.07			27.10 0.07
Tata Communications Payment Solutions Limited		10.93 6.95			10.93 6.95
Dividend income					
Tata Communications Lanka Limited		19.32 27.71			19.32 27.71
Tata Communications Transformation Services Limited		50.00 36.00			50.00 36.00
Loan given					
Tata Communications International Pte. Ltd.		-			-
		205.83			205.83
Tata Communications Payment Solutions Limited		130.00 225.00			130.00 225.00
Tata Communications Data Centers Private Limited		94.00 -			94.00 -
Loan repaid					
VSNL SNOSPV Pte. Ltd.		-			-
		80.44			80.44

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	Investing Company	Subsidiaries	Key Management Personnel	Joint Venture/ Associate	(₹ in crores) Total
Tata Communications Payment Solutions Limited		355.00			355.00
		-			-
Advances given by the Company (net)					
Tata Communications Data Centers Private Limited		200.97			200.97
		158.81			158.81
Tata Communications International Pte Ltd.		90.77			90.77
		134.59			134.59
Tata Communications (Netherlands) BV		65.43			65.43
		95.37			95.37
Advances taken by the Company (net)					
Tata Communications (Netherlands) BV		71.31			71.31
		88.76			88.76
Tata Communications International Pte Ltd		97.43			97.43
		136.52			136.52
Tata Communications Data Centers Private Limited		275.40			275.40
		25.70			25.70
Managerial remuneration					
Vinod Kumar \$			12.84		12.84
			12.14		12.14

iv. Details of major amounts of balances with related parties

	Investing Company	Subsidiaries	Key Management Personnel	Joint Ventures / Associates	(₹ in crores) Total
Receivables					
Tata Communications (Netherlands) BV		54.72			54.72
		25.73			25.73
Tata Communications International Pte. Ltd.		2.94			2.94
		19.12			19.12
Tata Communications (America) Inc.		4.42			4.42
		23.10			23.10
Neotel (Pty) Ltd.		10.20			10.20
		2.16			2.16
Payables					
Tata Communications Transformation Services Limited		9.54			9.54
		4.27			4.27
Tata Communications (Bermuda) Limited		25.23			25.23
		-			-
Tata Sons Limited	10.25				10.25
	9.79				9.79
Vinod Kumar \$			6.33		6.33
			6.05		6.05

\$ includes remuneration paid by subsidiary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	Investing Company	Subsidiaries	Key Management Personnel	Joint Ventures / Associates	(₹ in crores) Total
Loans given					
Tata Communications International Pte. Ltd.		320.25			320.55
		306.66			306.66
Tata Communications Payment Solutions Limited		-			-
		225.00			225.00
Tata Communications Data Center Private Limited		94.00			94.00
		-			-
Advance receivable					
Tata Communications Data Centers Private Limited		15.25			15.25
		24.49			24.49
Tata Communications (Netherlands) BV		10.32			10.32
		16.19			16.19
Tata Communications International Pte. Ltd		13.66			13.66
		20.55			20.55
Advance payable					
Tata Communications Ireland Ltd		-			-
		0.90			0.90
Tata Communications (Canada) Limited		-			-
		0.66			0.66
Interest accrued-other deposits					
Tata Communications Payment Solutions Limited		-			-
		6.95			6.95
Tata Communications International Pte. Ltd		6.65			6.65
		-			-
Guarantees on behalf of subsidiaries					
Tata Communications (Netherlands) BV		5,821.78			5,821.78
		5,140.91			5,140.91
Tata Communications International Pte. Ltd.		7,170.48			7,170.48
		6,877.96			6,877.96
Letter of comfort on behalf of subsidiaries					
Tata Communications (Netherlands) BV		2,064.15			2,064.15
		1,976.54			1,976.54
Tata Communications (Bermuda) Limited		1,157.18			1,157.18
		1,108.06			1,108.06
VSNL SNOSPV Pte. Ltd.		384.03			384.03
		422.93			422.93
Purchase Consideration for sale of IDC division					
Tata Communications Data Centers Private Limited		-			-
		433.93			433.93

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
34. Operating lease arrangements

Operating lease payments represent rentals payable by the Company for certain buildings and satellite channels.

a. As lessee:

	(₹ in crores)	
	Year ended	Year ended
	31 March 2015	31 March 2014
Minimum lease payments under operating leases recognised as expense in the year	3.42	0.39

At the balance sheet date, minimum lease payments under non-cancellable operating leases fall due as follows:

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
Due not later than one year	2.55	0.52
Due later than one year but not later than five years	1.08	0.19
Later than five years	-	-
	3.63	0.71

b. As lessor:

- i. The Company has leased under operating lease arrangements certain Indefeasible Rights of Use ("IRU") with gross carrying amount and accumulated depreciation of ₹ 87.02 crores (2014: ₹ 87.02 crores) and ₹ 56.92 crores (2014: ₹ 51.25 crores) respectively as at 31 March 2015. Depreciation expense of ₹ 5.67 crores (2014: ₹ 5.67 crores) in respect of these assets has been charged in the Statement of Profit and Loss for the year ended 31 March 2015.

In case of certain operating lease agreements aggregating ₹ 609.43 crores (2014: ₹ 530.70 crores) as at 31 March 2015, the gross block, accumulated depreciation and depreciation expense of the assets given on an IRU basis cannot be identified as these assets are not exclusively leased. The lease rentals associated with such IRU arrangements for the year ended 31 March 2015 amount to ₹ 53.85 crores (2014: ₹ 47.10 crores).

In respect of IRU arrangements, rental income of ₹ 60.70 crores (2014: ₹ 54.00 crores) has been recognised in the Statement of Profit and Loss for the year ended 31 March 2015.

Future lease rental receipts will be recognised in the Statement of Profit and Loss of subsequent years as follows:

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
Due not later than one year	59.02	53.14
Due later than one year but not later than five years	195.04	182.01
Later than five years	217.25	212.55
	471.31	447.70

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- ii. The Company has leased certain premises under non-cancellable operating lease arrangements to its wholly owned subsidiary. Future lease rental income in respect of these leases will be recognised in the Statement of profit and loss of subsequent years as follows:

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
Not later than one year	63.18	49.62
Later than one year but not later than five years	235.36	211.21
Later than five years	-	42.24
	298.54	303.07

Lease rental income of ₹ 62.03 crores (2014: ₹ 55.04 crores) in respect of the above leases has been recognised in the Statement of Profit and Loss for the current year.

35. Provision for Contingencies:

	As at 31 March 2015			As at 31 March 2014		
	Asset Retirement Obligation	Others	Total	Asset Retirement Obligation	Others	Total
Opening Balance	0.07	9.00	9.07	-	9.00	9.00
Addition	-	-	-	0.07	-	0.07
Utilisation	0.02	-	0.02	-	-	-
Closing Balance (Refer note 7)	0.05	9.00	9.05	0.07	9.00	9.07

- a. The provision for Asset Retirement Obligation has been recorded in the books of the Company in respect of undersea cables.
- b. Others include amounts provided towards claims made by a creditor of the Company.
- c. Utilisation includes foreign exchange gain/ loss on revaluation.

36. Contingent Liabilities and Commitments:
a. Contingent Liabilities:

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
i. Guarantees given on behalf of subsidiaries (Refer 1 below)	13,451.48	12,516.09
ii. Claims for taxes on income (Refer 2 below)		
- Income tax disputes where department is in appeal against the Company	626.15	401.63
- Other disputes related to income tax	2,067.82	1,870.51
iii. Claims for other taxes	1.45	1.28
iv. Other claims (Refer 3 below)	967.71	827.29
v. Also Refer 5 below		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

1. As on 31 March 2015, the Company has issued Corporate guarantees for the loans and credit facility arrangements in respect of various subsidiaries:

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
Tata Communications International Pte. Ltd.	7,170.48	6,877.96
Tata Communications (Netherlands) B.V.	5,821.78	5,140.91
VSNL SNOSPV Pte. Ltd.	344.02	329.42
Tata Communications Payment Solutions Limited	47.98	118.22
Tata Communications (UK) Limited	23.12	24.88
Tata Communications Data Centers Private Limited	22.10	2.10
Tata Communications Transformation Services Limited	22.00	22.00
Tata Communications (America) Inc.	-	0.60
Total	13,451.48	12,516.09

2. Claims for taxes on income

Significant claims by the revenue authorities in respect of income tax matters relate to disallowance of deductions claimed section 80 IA of the Income Tax Act, 1961 from assessment years 1996-97 onwards and transfer pricing adjustments carried out by revenue authorities. The Company has contested the disallowances/ adjustments and has preferred appeals which are pending.

3. Other claims:

i. Telecom Regulatory Authority of India ("TRAI") reduced the Access Deficit Charge ("ADC") rates effective 1 April 2007. All telecom services providers including National Long Distance ("NLD") and International Long Distance ("ILD") operators in India are bound by the TRAI regulations; accordingly the Company has recorded the cost relating to ADC at revised rates as directed by TRAI. However, BSNL continued to bill at the ADC rate applicable prior to 1 April 2007. BSNL had filed an appeal against the TRAI Interconnect Usage Charges ("IUC") regulation of reduction in ADC and currently this matter is pending with the Supreme Court. The possible liability on Company is ₹ 311.84 crores (2014: ₹ 311.84 crores).

ii. On 19 February 2013, DoT issued a licence fee demand amounting to ₹ 193.05 crores, (being ₹ 92.86 crores for financial year 2006-07 and ₹ 100.19 crores for financial year 2007-08, including ₹ 102.06 crores, being interest as on 28 February 2013) for financial years 2006-07 and 2007-08, based on special audit reports of auditors appointed by DoT. The total demand including interest is for ₹ 254.30 crores (2014: ₹ 222.79 crores). The Company has challenged the said demand notice in the Madras High Court which has vide its orders dated 1 March 2013, granted a stay-order against the said demand. Further, the Company is also contesting a licence fee claim of ₹ 144.14 crores (2014: ₹ 121.38 crores) (including interest and penalty) for financial year 2005-06. However, the said demand notice includes the items which are already the subject-matter of petitions/ appeals, pending for hearing in the Supreme Court of India, for the previous years.

iii. Other claims of ₹ 257.43 crores (2014: ₹ 171.28 crores) mainly pertain to routine suits for collection, commercial disputes, claims from customers and/or suppliers and claims from Employee State Insurance Corporation (ESIC).

4. The Company has taken appropriate professional advice in respect of the claims/ appeals and has taken all necessary steps to protect its interest. Based on expert opinion, no provision is required in respect of these claims/ appeals.

5. In terms of agreements entered into in 2008-09 between the Company and NTT Docomo Inc. the Company sold to NTT Docomo Inc. of Japan (Strategic Partner - SP), 36,542,378 equity shares of Tata Teleservices Ltd ("TTSL") at ₹ 116.09 per share which resulted in a profit of ₹ 346.65 crores in the same year.

Tata Sons Limited (TSL) is party to a Shareholders Agreement with NTT Docomo Inc. of Japan (Strategic Partner - SP) dated 25 March 2009 and amended on 21 May 2010.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

Under the terms of the Shareholders Agreement if certain performance parameters and other conditions are not met by TTSL by 31 March 2014 the SP has an option to divest its entire shareholdings in TTSL at a price being the higher of fair value or ₹ 58.05 per share (i.e 50 percent of the subscription price) ("Sale Price"), subject to compliance with applicable law and regulations ("Sale Option").

The Company has an "inter se" agreement with Tata Sons Limited and other Tata Group companies. Tata Sons Limited has informed the Company as follows:

- i. The Shareholders Agreement obliges Tata Sons Limited to find a buyer for the entire shareholding of SP shares at the Sale Price.
 - ii. If there is no buyer at the Sale Price, then Tata Sons Limited is obliged to acquire or procure the acquisition of such shares. These obligations are subject to compliance with applicable law and regulations.
 - iii. Under the terms of the "inter se" agreement, the Company may be obligated to acquire the shareholding of the SP in proportion of the number of shares sold by the company to the aggregate of the secondary shares sold to the SP.
 - iv. The SP has exercised the Sale Option on 7 July 2014.
 - v. Tata Sons have also informed the Company that the Reserve Bank of India have not permitted acquisition of the shares at the pre-determined price and have advised that the acquisition can only be made at Fair Market Value (FMV) prevailing at the time of the acquisition. The FMV determined as at 30 June 2014 is ₹ 23.34 per share. Tata Sons Limited has conveyed to Docomo its willingness to acquire the shares at ₹ 23.34 per share, however, Docomo reiterated its position that the shares be acquired at ₹ 58.05 per share.
 - vi. Docomo have initiated Arbitration in the matter.
 - vii. The liability, if any, to the extent of the difference in price sought by Docomo and the Fair Market Value is dependent upon the outcome of the Arbitration and prevailing Exchange Control Regulations.
6. Future cash flows in respect of the above matters are determinable only on receipt of judgements/ decisions pending at various forums/ authorities.

b. Commitments:

i. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amount to ₹ 208.24 crores (2014: ₹ 154.75 crores) (net of capital advances).

ii. Other Commitments:

1. As on 31 March 2015, the Company has issued Letters of Comfort for the credit facility agreements in respect of various subsidiaries:

Name of the Subsidiary	(₹ in crores)	
	As at 31 March 2015	As at 31 March 2014
Tata Communications Transformation Services Ltd	37.53	35.94
Tata Communications Data Centers Private Limited	56.00	434.00
VSNL SNOSPV Pte. Ltd	384.03	422.93
Tata Communications (Netherlands) B.V.	2,064.15	1,976.54
Tata Communications (Bermuda) Ltd	1,157.18	1,108.06
Tata Communications Payment Solutions Limited (TCPSL)	160.00	412.00

The Company has undertaken to the lenders of TCPSL that it shall retain full management control so long as amounts are due to the lenders.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

2. The Company has issued a support letter to Tata Communications International Pte. Limited (TCIPL), aggregating ₹ 6,095.73 crores (2014: ₹ 5,446.50 crores) for providing financial support enabling, in turn, TCIPL to issue such support letters to certain subsidiaries with negative net worth as at 31 March 2015 in various geographies in order that they may continue as going concerns.
3. The Company has committed loan facility to wholly owned subsidiaries to the tune of ₹ 6,728.24 crores (2014: ₹ 5,673.34 crores) as at 31 March 2015, utilisation of which is subject to future requirements and appropriate approval processes from time to time.

37. Supplementary statutory information

		(₹ in crores)	
		As at 31 March 2015	As at 31 March 2014
<i>a. Value of imports calculated on CIF basis (on accrual basis)</i>			
i.	Stores and spares	0.29	0.85
ii.	Capital goods	204.49	230.81
<i>b. Earnings in foreign currency</i>			
i.	Revenue from telecommunication services	848.46	1,094.46
ii.	Interest income	13.44	11.87
iii.	Dividend income	19.32	27.71
iv.	Guarantee fees	149.87	152.66
v.	Other income	0.34	1.36
		1,031.43	1,288.06
<i>c. Expenditure in foreign currency (on accrual basis)</i>			
i.	Charges for use of transmission facilities	321.19	388.36
ii.	Repairs and maintenance	48.71	39.92
iii.	Legal and professional fees	2.67	3.78
iv.	Finance costs	2.21	1.70
v.	Others	34.07	27.12
		408.85	460.88

38. Value of imported and indigenous stores/ spares consumed

		As at 31 March 2015		As at 31 March 2014	
Item		Value	Percentage	Value	Percentage
Imported		0.33	1.62	1.12	6.28
Indigenous		20.04	98.38	16.71	93.72
		20.37	100.00	17.83	100.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- 39.** United Telecom Limited ("UTL") passed a resolution on 4 September 2014, wherein the joint venture agreement between the shareholders of UTL was amended to the effect that certain major decisions of UTL would require the affirmative vote of a two-third majority of the directors compared to the earlier clause which required the affirmative vote of all directors. This led to the termination of joint control and consequently the joint venture status in UTL. The Company holds 22.05% shares in UTL as on 31 March 2015 and is considered to be an associate with effect from 4 September 2014.

The Company's share in income, expenses, assets and liabilities of UTL based on management accounts for the period ended 4 September 2014 and year ended 31 March 2014 are as follows:

	(₹ in crores)	
	Period Ended	As at
	4 September 2014	31 March 2014
Income	1.95	6.47
Expenses	4.05	15.06
Assets	-	27.99
Liabilities	-	13.63

40. Dividend remitted to non-resident shareholders in foreign currency

The Company has not remitted any amount in foreign currencies on account of dividends during the year. The particulars of final dividends for the year ended 31 March 2014 paid to non - resident shareholders are as under:

	(₹ in crores)	
	Year ended	Year ended
	31 March 2015	31 March 2014
Number of non - resident shareholders	974	1,019
Number of shares held by them	23,263,860	24,038,731
Year to which the dividend relates	2013-2014	2012-2013
Amount remitted	10.47	7.21

41. Micro and Small Enterprises

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management:

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.31	0.16
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.01	@
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	11.64	3.07
d. The amount of interest due and payable for the year	0.34	0.07
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	0.34	0.07
f. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
g. Total outstanding dues of micro and small enterprises	0.65	0.23

Note: @ represents amount less than ₹ 50,000/-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
42. Disclosure as required under clause 32 of Listing Agreement

Amounts of loans and advances in the nature of loans outstanding from subsidiaries during the year ended 31 March 2015

Name of the Company	Outstanding as at 31 March 2015	Maximum amount outstanding during the year	Investment in shares of the Company No of shares	(₹ in crores)
				Investment in shares of subsidiaries of the Company No of shares
Tata Communications International Pte Ltd (Refer i)	333.91 327.21	356.37 368.58	- -	- -
VSNL SNOSPV Pte. Ltd (Refer 13 (II))	12.42 12.89	12.42 12.89	- -	(Refer ii) -
Tata Communications Transformation Services Limited	0.15 4.42	8.79 13.27	- -	- -
Tata Communications Payment Solutions Limited	- 230.43	330.63 255.16	- -	- -
Tata Communications Data Centers Private Limited	109.25 24.49	281.52 434.70	- -	- -

i. Tata Communications International Pte. Ltd which is a wholly owned subsidiary of the Company has investments in 33 subsidiaries as at 31 March 2015.

ii. VSNL SNOSPV Pte. Ltd has made the following investments in equity and preference shares of its subsidiaries:
1,462,770,590 in Neotel Pty Ltd. and 1,799,272,516 in SEPCO Communications Pty Ltd.

43. Details of loans given, investment made and guarantee given covered u/s 186 (4) of the Companies Act, 2013 are provided in note no. 13, 15, 20 and 36 to the financial statements.

44. Derivative Transactions

The Company uses forward exchange contracts and currency options to hedge its exposure in foreign currency and interest rates. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31 March 2015	
	(Amount in Foreign Currency in millions)	(Amount in ₹ crores)
<i>Foreign exchange currency exposures not covered by derivative instruments</i>		
i. Amount receivable on account of export of services and loan and interest charges (net)		
EUR	0.30 0.25	2.02 2.04
USD	- 4.30	- 25.75
ZAR	- 6.94	- 3.91
GBP	- 0.35	- 3.52
MYR	- 0.10	- 0.19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

		As at 31 March 2015	
		(Amount in Foreign Currency in millions)	(Amount in ₹ crores)
ii.	Creditors payable on account of services, loan and interest charges and other foreign currency expenditure (net)		
	USD	1.73	10.82
		-	-
	ZAR	18.09	9.26
		-	-
	GBP	0.02	0.14
		-	-
	JPY	0.01	0.08
		0.01	0.09
	CAD	0.02	0.08
		0.02	0.09
	SDR	@	0.01
		0.28	2.63
	AUD	-	-
		0.05	0.27
	GFCS	-	-
		0.24	0.71
	SGD	-	-
		0.03	0.17
	CHF	-	-
		@	0.01

Note: @ represents amounts less than foreign currency 0.01 million

45. Previous year figures have been regrouped/rearranged wherever necessary to conform to the current year's classifications.

For and on behalf of the Board of Directors

SUBODH BHARGAVA
Chairman

VINOD KUMAR
Managing Director & Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

SATISH RANADE
Company Secretary

MUMBAI
DATED: 28 July 2015

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TATA COMMUNICATIONS LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Tata Communications Limited** ('the Company') and its subsidiaries (the Company, its subsidiaries constitute 'the Group'), its associate and jointly controlled entity comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ('the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 financial statements 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 these consolidated financial statements by the Board of Directors of the Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

As referred to in note 34 to the consolidated financial statements, the consolidated financial statements include the unaudited consolidated financial information of a subsidiary and its Group consisting its subsidiary and an associate, pending resolution of certain matters resulting from an inquiry into certain transactions undertaken by such subsidiary. Accordingly, the unaudited consolidated financial information consisting of such subsidiary and its Group reflect total assets of ₹ 2,738.13 crores as at March 31, 2015, total revenues of ₹ 2,140.25 crores and net cash outflows amounting to ₹ 49.04 crores for the year then ended, as considered in the consolidated financial statements, based on their unaudited consolidated financial information. These unaudited consolidated financial information have been furnished by the Management and our opinion, in so far as it relates to the amounts included in respect of such subsidiary and its Group is based solely on such unaudited consolidated financial information and consequently we are unable to determine whether any adjustment might be necessary to the consolidated financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entity as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 86.15 crores as at March 31, 2015, total revenues of ₹ 50.43 crores and net cash out flows amounting to ₹ 26.56 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements has been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

We did not audit the financial statements of two subsidiaries and one jointly controlled entity, whose financial statements reflect total assets of ₹ 102.49 crores as at March 31, 2015, total revenues of ₹ 1.28 crores and net cash out flows amounting to ₹ 0.25 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, based on the comments in the auditors' reports of the Company and its three subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the Directors of the Group companies, incorporated in India is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.

- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, the Company has disclosed the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entity in its consolidated financial statements - Refer Note 40 to the consolidated financial statements;
 - ii) Except for the possible effect of the matter described in the Basis of Qualified Opinion

paragraph above, the Company has made provision in its consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts;

- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants
(Firm's Registration No. 101496W)

R. A. BANGA
Partner
(Membership No. 037915)

Mumbai, July 28, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In respect of three subsidiary companies incorporated in India which have been audited by us, in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of these companies.

- (i) In respect of the fixed assets of the Holding Company and subsidiary companies incorporated in India:
 - (a) The respective companies have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The respective companies have a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the respective companies and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management of the respective companies during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and subsidiary companies incorporated in India:
 - (a) As explained to us, the inventories were physically verified during the year by the Management of the respective companies at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the respective companies were reasonable and adequate in relation to the size of the respective companies and the nature of their business.
 - (c) In our opinion and according to the information and explanations given to us, the respective companies have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company and subsidiaries companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective companies.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company and subsidiary companies incorporated in India, commensurate with the size of the respective companies and the nature of their business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company and subsidiary companies incorporated in India have not accepted any deposit during the year and accordingly the question of complying with Section 73 and 76 of the Companies Act, 2013 does not arise. In respect of unclaimed deposits, the Holding Company and subsidiary companies incorporated in India have complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in respect of any of the respective companies.
- (vi) According to the information and explanations given to us, in our opinion, the Holding Company, and subsidiary companies incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary companies incorporated in India:
 - (a) The respective companies have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective companies with the appropriate authorities except for significant delays in deposit of tax deducted at Source (TDS) in one of the subsidiaries.

- (b) There were no undisputed amounts payable by the respective companies in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess matters which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid companies are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ Crores)
Income -tax Act,1961	Income Tax	Appellate Authority -Tribunal Level	AY 2007-08 and 2008-09	308.80
Income -tax Act,1961	Income Tax - TDS	Appellate Authority - Commissioner (Appeal)(TDS)	AY 2006-07 to 2015-16,	18.55
Income -tax Act,1961	Income Tax	Appellate Authority - Commissioner (Appeal)	AY 2010-11	0.23
Income -tax Act,1961	Income Tax	Appellate Authority – Deputy Commissioner of Income tax	AY 1997-1998, 2008-09 to 2010-11	304.09
Income -tax Act,1961	Income Tax - TDS	Appellate Authority - Income Tax Officer TDS	AY 2010-11, 2011-12, 2012-13, 2013-14 ,2014-15 and 2015-16	0.70
Central Sales Tax/ Sales Tax Laws	Sales Tax	West Bengal Commercial Tax Appellate and Revision Board	FY 2006-07, 2007-08, 2011-12	1.27
Sales Tax Laws	Sales Tax	Assistant Commissioner, UP	FY 2010-11	0.01
Sales Tax Laws	Sales Tax	Assessing Officer, Cochin	FY 2009-10	0.01
VAT Laws	VAT	High Court, Orissa	FY 2009-10	0.02
VAT Laws	VAT	Joint Commissioner of Commercial Taxes	FY 2009-10	0.18

Out of the total disputed dues aggregating ₹ 633.86 Crores as above, ₹ 306.78 Crores has been stayed for recovery by the respective authorities.

- (d) The aforesaid companies have been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) Without considering the possible effects of our audit qualification reported in the Basis of Qualified Opinion paragraph of our Audit Report which is not quantifiable, the consolidated accumulated losses of the Group, its associates and jointly controlled companies at the end of the financial year are not less than fifty percent of the consolidated net worth and the Group, its associates and jointly controlled companies have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company and subsidiary companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the Holding Company and subsidiary companies incorporated in India have not given guarantees for loans taken by others outside of the Group from banks and financial institutions.

(xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company and subsidiary companies incorporated in India during the year for the purposes for which they were obtained.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company and its subsidiary companies incorporated in India and no material fraud on the Holding Company and its subsidiary companies

incorporated in India has been noticed or reported during the year.

For **S. B. BILLIMORIA & CO.**
Chartered Accountants
(Firm's Registration No. 101496W)

R. A. BANGA
Partner
(Membership No. 037915)

Mumbai, July 28, 2015

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

Particulars	Note No.	As at 31 March 2015 ₹ in crores	As at 31 March 2014 ₹ in crores
(A) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	4	285.00	285.00
(b) Reserves and surplus	5	36.47	514.52
		321.47	799.52
(2) Minority Interest			
		5.87	6.21
(3) Non-current liabilities			
(a) Long-term borrowings	6	7,606.78	9,750.55
(b) Deferred tax liabilities (net)	7A (i)	48.41	50.55
(c) Other long term liabilities	8	4,265.24	4,159.11
(d) Long-term provisions	9	311.04	263.93
		12,231.47	14,224.14
(4) Current liabilities			
(a) Short-term borrowings	10	1,724.56	2,225.72
(b) Trade payables	11	3,669.69	4,040.27
(c) Other current liabilities	12	5,632.94	3,191.39
(d) Short-term provisions	13	657.66	513.19
		11,684.85	9,970.57
TOTAL		24,243.66	25,000.44
(B) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	14 i	13,892.24	13,854.96
(ii) Intangible assets	14 ii	426.74	440.74
(iii) Capital work-in-progress		572.39	618.18
(iv) Intangible assets under development		65.95	34.81
		14,957.32	14,948.69
(b) Goodwill on consolidation		384.84	618.46
(c) Non-current investments	15	879.03	753.80
(d) Deferred tax assets (net)	7 A(ii)	249.95	123.29
(e) Long-term loans and advances	16	2,036.77	2,391.16
(f) Other non-current assets	17	8.37	12.32
		3,558.96	3,899.03
(2) Current assets			
(a) Current investments	18	888.47	1,004.42
(b) Inventories - stores and spares		26.40	50.58
(c) Trade receivables	19	2,487.00	2,733.90
(d) Cash and bank balances	20	1,621.15	1,669.47
(e) Short-term loans and advances	21	666.66	677.68
(f) Other current assets	22	37.70	16.67
		5,727.38	6,152.72
TOTAL		24,243.66	25,000.44

See accompanying notes forming part of the consolidated financials statements

In terms of our report attached

For and on behalf of the Board of Directors

For S. B. BILLIMORIA & CO.
Chartered Accountants

SUBODH BHARGAVA
Chairman

VINOD KUMAR
Managing Director & Group CEO

R. A. BANGA
Partner

PRATIBHA K. ADVANI
Chief Financial Officer

SATISH RANADE
Company Secretary

MUMBAI
DATED: 28 July 2015

MUMBAI
DATED: 28 July 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Note No.	Year ended 31 March 2015 ₹ in crores	Year ended 31 March 2014 ₹ in crores
A CONTINUING OPERATIONS			
1 Income from operations		17,959.48	17,714.21
(a) Revenue from telecommunications services		17,955.16	17,667.86
(b) Other operating income	23	4.32	46.35
2 Other income	24	304.94	134.41
3 Total revenue (1 + 2)		18,264.42	17,848.62
4 Expenses:			
a) Network and transmission	25	9,930.69	10,164.44
b) Employee benefits	26	2,433.52	2,147.70
c) Operating and other expenses	27	3,138.33	2,969.67
d) Finance cost	28	399.93	427.47
e) Depreciation and amortization (net of transfer from Capital Reserve)	14	1,940.44	1,851.90
Total Expenses		17,842.91	17,561.18
5 Profit before exceptional items and taxes (3 - 4)		421.51	287.44
6 Exceptional items	29	84.78	216.22
7 Profit before taxes (5 + 6)		506.29	503.66
8 Tax Expenses/(benefit)			
Current tax expense		479.51	436.39
Deferred tax		(109.05)	(93.11)
Net Tax Expenses		370.46	343.28
9 Profit from continuing operations (7 - 8)		135.83	160.38
B DISCONTINUING OPERATIONS			
10 Profit from discontinuing operations (before exceptional item and tax)		57.12	90.75
11 Exceptional loss	30	190.00	150.00
12 Loss from Discontinuing operations (before tax) (10 - 11)		(132.88)	(59.25)
13 Tax expense on Discontinuing operations		-	-
14 Share in profit of associate		0.14	1.69
15 Loss from Discontinuing operations (12 - 13 + 14)		(132.74)	(57.56)
C TOTAL OPERATIONS			
16 Profit after tax before minority interest (9 + 15)		3.09	102.82
17 Less: Profits attributable to minority interest		(1.80)	(1.40)
Profit for the year attributable to the shareholders of the Company (16 - 17)		1.29	101.42
Earnings per share (of ₹ 10 each)	35		
Basic/Diluted earnings per share (₹)			
Continuing Operations		4.77	5.63
Total Operations		0.05	3.56

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For S. B. BILLIMORIA & CO.
Chartered Accountants

SUBODH BHARGAVA
Chairman

VINOD KUMAR
Managing Director & Group CEO

R. A. BANGA
Partner

PRATIBHA K. ADVANI
Chief Financial Officer

SATISH RANADE
Company Secretary

MUMBAI
DATED: 28 July 2015

MUMBAI
DATED: 28 July 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Year ended 31 March 2015 ₹ in crores	Year ended 31 March 2014 ₹ in crores
1 CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAXES AND AFTER EXCEPTIONAL ITEMS	373.41	444.41
Adjustments for:		
Depreciation and amortisation expenses	2,161.09	2,091.37
Profit on sale of fixed assets (net)	(168.09)	(10.38)
Interest income	(70.94)	(44.42)
Interest expense	738.90	748.18
Provision for trade receivables	46.58	16.84
Bad Debts written off	29.80	38.84
Provision for contingency	11.89	13.52
Provision for diminution in value of inventories	3.27	2.36
Input credit against certain statutory obligations	-	(216.22)
Impairment of Goodwill on consolidation	190.00	150.00
Provision written back on discontinuance of Joint Venture agreement	(12.40)	-
Provision for doubtful advances	0.40	0.57
Profit on sale of current investments	(79.00)	(75.32)
Exchange fluctuation on short-term borrowings	49.35	61.42
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,274.26	3,221.17
Inventories	16.07	(26.39)
Trade receivables	249.18	501.31
Short-term loans and advances	(40.58)	440.80
Long-term loans and advances	127.21	(374.66)
Other current assets	(10.48)	23.46
Other non current assets	4.05	(9.95)
Trade payables	(428.55)	(477.17)
Other current liabilities	105.84	28.86
Other non-current liabilities	(201.62)	(100.88)
Short-term provisions	1.44	3.12
Long-term provisions	43.74	15.40
Adjustment of translation differences on working capital	(0.24)	(1.10)
Cash generated from operations before tax and exceptional items	3,140.32	3,243.97
Income tax refunds / (payments) (net)	(111.98)	(182.39)
NET CASH FLOW FROM OPERATING ACTIVITIES	3,028.34	3,061.58
2 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,014.40)	(1,812.38)
Proceeds from sale of fixed assets	243.07	25.18
Purchase of non-current investments	(122.31)	(0.11)
Purchase of current investments	(13,012.40)	(11,479.48)
Sale of current investments	13,207.36	11,118.81
Dividend received from associate	-	1.35
Fixed deposits placed during the year	(24.80)	(0.86)
Earmarked funds	(213.55)	(147.96)
Interest received	35.18	15.67
NET CASH USED IN INVESTING ACTIVITIES	(1,901.85)	(2,279.78)
3 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Short-term borrowings	1,673.96	1,772.23
Repayment of Short-term borrowings	(2,115.39)	(603.73)
Proceeds from Long-term borrowings	2,021.23	3,281.87
Repayment of Long-term borrowings	(2,084.44)	(3,768.78)
Net increase / (decrease) in working capital borrowings	(102.15)	(94.37)
Payment for finance lease	(4.19)	(3.93)
Dividends paid including dividend tax	(146.74)	(96.35)
Dividends paid to minority interest shareholders	(2.13)	(3.14)
Interest paid	(628.45)	(669.41)
NET CASH FLOW FROM FINANCING ACTIVITIES	(1,388.30)	(185.61)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(261.81)	596.19
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	1,166.56	570.88
Exchange difference on translation of foreign currency cash and cash equivalents	(6.31)	(0.51)
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	898.44	1,166.56

Notes :

- i Figures in brackets represent outflows
- ii Profit on sale of fixed assets includes profit on sale of land and building in Mumbai which is included as part of exceptional items amounting to ₹ 84.78 crores.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For S. B. BILLIMORIA & CO.
Chartered Accountants

SUBODH BHARGAVA
Chairman

VINOD KUMAR
Managing Director & Group CEO

R. A. BANGA
Partner
MUMBAI
DATED: 28 July 2015

PRATIBHA K. ADVANI
Chief Financial Officer
MUMBAI
DATED: 28 July 2015

SATISH RANADE
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Corporate information:

TATA Communications Limited ("the Company") was incorporated on 19 March 1986. The Government of India vide its letter No. G-25015/6/86OC dated 27 March 1986, transferred all assets and liabilities of the Overseas Communications Service ("OCS") (part of the Department of Telecommunications, Ministry of Communications) as appearing in the Balance sheet as at 31 March 1986 to the Company with effect from 01 April 1986. During the year 2007-08, the Company changed its name from Videsh Sanchar Nigam Limited to Tata Communications Limited and the fresh certificate of incorporation consequent upon the change of name was issued by the Registrar of Companies, Maharashtra on 28 January 2008.

Tata Communications Limited and its subsidiaries (collectively "the Group") offers international and national voice and data transmission services, selling and leasing of bandwidth on undersea cable systems, internet dial up and broadband services, and other value added services comprising telepresence, managed hosting, infrastructure managed services, mobile global roaming and signalling services, transponder lease, television uplinking, set up, own and operate White Label ATMs, data center colocation services, network management and support and other services.

2. Significant accounting policies

a. Basis of preparation of financial statements

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / the Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared as a going concern on the accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

b. Principles of consolidation

The consolidated financial statements relate to the Company, its subsidiary companies, jointly controlled entity and the Group's share of profit in its associate. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the subsidiary companies, jointly controlled entity and an associate included in the consolidation are drawn up to the same reporting date as of the Company.
- ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions, and unrealised profits or losses have been fully eliminated.
- iii. The results of subsidiaries acquired during the year, if any, are included in the Statement of Consolidated Profit and Loss from the date of acquisition.
- iv. The consolidated financial statements include the interest in joint ventures which has been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in each such entity in accordance with the applicable Accounting Standard. Unrealised profits and losses have been eliminated to the extent of the Company's share in the joint ventures.
- v. The consolidated financial statements include the interest in associates which has been accounted for as per "Equity Accounting" Method in accordance with the applicable Accounting Standard.
- vi. The excess of cost to the Company of its investment in a subsidiary company / joint venture over its share of the equity of the subsidiary company / joint venture at the date on which the investment in the subsidiary company / joint venture is made is recognised as 'Goodwill' and disclosed as an asset in the consolidated financial statements. Goodwill on consolidation is not amortised but tested for the impairment on annual basis. Where the share of equity in the subsidiary companies / joint venture as on date of investment, is in excess of cost of investment of the Company, the excess is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- vii. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments. Net profit/loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- viii. Losses applicable to the minority in excess of the minority's interest in the subsidiaries' equity are allocated against the majority interest except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

c. Use of estimates

Preparation of the consolidated financial statements requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful trade receivables and advances, employee benefit obligations, provision for income taxes, recognition of deferred tax assets, provision for cable restoration, impairment of assets, asset retirement obligation and useful lives of fixed assets.

The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

d. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

f. Fixed assets

- i. Tangible and intangible assets are stated at cost of acquisition or construction less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes freight, duties, taxes, salaries and employee benefits directly related to the construction or development of the asset and all incidental expenses incurred on making the assets ready for their intended use.
- ii. Indefeasible Rights of Use (IRUs) for international and domestic telecommunication circuits are classified under plant and machinery under tangible assets. The IRU agreements bestows substantially all the risks and rewards of ownership to the Company.
- iii. Jointly owned assets are capitalised in proportion to the Company's ownership interest in such assets.
- iv. Costs of borrowing related to the acquisition or construction of fixed assets that are attributable to the qualifying assets are capitalised as part of the cost of such asset. All other borrowing costs are recognised as an expense in the periods in which they are incurred.
- v. Capital work-in-progress and intangible assets under development include projects under which fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, directly attributable cost and attributable interest.
- vi. Consideration for purchase of business in excess of the value of net assets acquired is recognised as goodwill.
- vii. Software and licence fees have been classified as intangible assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- viii. Assets acquired pursuant to an agreement for exchange of similar assets are recorded at the net book value of the asset given up, with an adjustment for any balancing receipt or payment of cash or any other form of consideration.

g. Depreciation and amortisation

The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation and amortisation on tangible and intangible assets of the Company and its Indian subsidiaries has been provided on the straight-line method as per the useful life prescribed in the Companies Act, 2013 except in respect of the following categories of assets where the lives of the assets are other than the prescribed lives in the Act.

Tangible Assets	Useful lives of Assets
i Plant and Machinery (Refer 1 below)	
- Sea cable	20 years or contract period whichever is earlier
- Land cable	15 years or contract period whichever is earlier
- ATM and cash dispensers	10 years
- Others	3 to 8 years
ii Leasehold land, building and improvements	Over the lease period
Intangible Assets	
iii Software (Refer 2 below)	3 to 6 years

Depreciation and amortisation on tangible and intangible assets of the Company's foreign subsidiaries, jointly controlled entities and associates has been provided on straight-line method as per the estimated useful life of such assets as follows:

Tangible assets	Useful lives of Assets
i Building	12 to 25 years
ii Plant and Machinery	3 to 16 years
iii Sea Cables	20 years or contract period whichever is earlier
iii Computers	3 to 5 years
iv Leasehold Land and Building	Over the lease period
v Furnitures & Fixtures	3 to 15 years
vi Motor Vehicle	3 to 5 years
Intangible Assets	
i Software (Refer 2 below)	3 to 5 years
ii License fee	25 years
iii Goodwill on purchase of business	60/120 months

1. In the above mentioned cases, the lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties, maintenance support, etc.
2. The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

h. Leases

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as an operating lease. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis.

Rental income and rental expenses on assets given or obtained under operating lease arrangements are recognised on a straight-line basis over the term of the relevant lease in the Statement of Profit and Loss.

The initial direct costs relating to operating leases are recorded as expenses as they are incurred.

i. Impairment

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

- i. an intangible asset that is not yet available for use; and
- ii. an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amounts of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is an indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

j. Asset Retirement Obligation ("ARO")

The Group's ARO relate to the removal / restoration of / for undersea cables, switches, leased equipments and certain lease premises at the time of their retiral/vacation. A provision is recognised based on management's best estimate of the eventual costs that relate to such obligation and is adjusted to the cost of such assets. The estimated costs are based on historical cost information, industry factors and technical estimates.

k. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments comprising investments in mutual funds are stated at the lower of cost or fair value, determined on an individual investment basis.

l. Inventories

Inventories of stores and spares are valued at the lower of cost or net realisable value. Cost includes all expenses incurred to bring the inventory to its present location and condition. Cost is determined on a weighted average basis.

m. Employee benefits

Employee benefits include contribution to provident fund, employee state insurance scheme, gratuity fund, pension, compensated absences and post-employment medical and other benefits.

i. Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the service. These

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

benefits include compensated absences such as paid annual leave and performance incentives payable within twelve months.

ii. Long-term employee benefits

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

n. Revenue recognition

- i. Revenues from Voice Solutions (VS) are recognised at the end of each month based upon minutes of traffic completed in such month.
- ii. Revenues from Data Managed Services (DMS) are recognised over the period of the respective arrangements based on contracted fee schedules.
- iii. Revenues from right to use of fibre capacity provided based on IRU are recognised over the period of such arrangements.
- iv. Certain transactions with providers of telecommunication services are accounted for as non-monetary transactions depending on the terms of the agreements entered into with such telecommunication service providers.
- v. Revenue from fixed fee based service contracts is recognised on achievement of performance milestones as specified in Customer Contracts.
- vi. Revenue in respect of annual maintenance service charges is recognised over the period for which services are provided.
- vii. Revenues from providing infrastructure managed and incidental services to banking sector are recognised on the basis of the contract with the customer at the end of each month based upon the following:
 1. On the basis of number of transactions in such month.
 2. On the basis of fixed service charge for the number of days of usage in such month.

o. Export incentive

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and there is a reasonable assurance that the Company will comply with the conditions attached to them. Export incentives are included in other operating income.

p. Other income

Interest income is accounted on an accrual basis. Dividend income is accounted for when the right to receive it is established and no significant uncertainty as to collectability exists.

q. Taxation

Current income tax expense comprises taxes on income from operations in India and foreign tax jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise these assets. All other deferred tax assets in respect of other timing differences are recognised if there is a reasonable certainty that sufficient future taxable income will be available to realise such assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting income tax provisions and advance taxes paid in respect of the same tax jurisdiction on an assessment year basis and where the Group intends to settle the asset and liability on a net basis.

The Group offsets deferred tax assets and deferred tax liabilities relating to taxes on income levied by the same governing tax authorities.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

r. Foreign currency transactions and translations

i. Transactions in foreign currencies entered into by the Group are accounted for at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items (other than derivative contracts) of the Group, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary assets and liabilities of the Group are carried at historical cost. Exchange differences, on foreign currency transactions are recognised in the Consolidated Statement of Profit and Loss. The exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

ii. For the purpose of consolidation of foreign subsidiaries and joint ventures, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such changes is disclosed under foreign exchange translation reserve.

iii. Forward exchange contracts / Cross Currency Swaps (other than referred in 2(s)(ii) below):

Premium or discount on forward contracts / cross currency swaps is amortised over the life of such contracts and is recognised in the Consolidated Statement of Profit and Loss. Forward contracts / cross currency swaps outstanding as at the balance sheet date are stated at the closing rate prevailing on the balance sheet date and any gains or losses are recognised in the Consolidated Statement of Profit and Loss. Profit or loss arising on cancellation or enforcement / exercise of a forward exchange is recognised in the Consolidated Statement of Profit and Loss in the period of such cancellation or enforcement / exercise.

s. Derivative financial instruments

i. The Group enters into forward contracts, interest rate swaps and coupon only swaps to manage its exposure on foreign exchange rate risk and interest rate risk globally. Exposures to currency and interest rate risk are monitored on an on-going basis and the Group endeavours to keep the net exposure at acceptable levels.

In respect of Interest rate swaps that are designated as cash flow hedges, the effective portion of the fair value of the interest rate swaps are carried to Hedge Fluctuation Reserve which will be reclassified to the Consolidated Statement of Profit and Loss in the accounting period in which the interest expense is being recognised. The fair value of interest rate swaps that are not designated under a hedging relationship are recorded in the Consolidated Statement of Profit and Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- ii. Mark-to-market gains and losses on hedging instruments designated as hedges of the net investments in non-integral foreign operations are recognised in foreign currency translation reserve to the extent that the hedging relationship is effective. Gains and losses relating to hedge ineffectiveness are recognised immediately in the Consolidated Statement of Profit and Loss. Gains and losses accumulated in the foreign currency translation reserve are included in the consolidated income statement when the foreign operation is disposed of.

t. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

u. Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of a bonus issue if any, to existing shareholders or a share split.

v. Segment reporting

- i. The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.
- ii. The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
- iii. Revenue and expenses which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

w. Contingent liabilities and provisions

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
3. Particulars of subsidiaries, associate and jointly controlled entity considered in the preparation of the consolidated financial statements:

	Country of Incorporation	Percentage of holding and voting power	
		As at 31 March 2015	As at 31 March 2014
a. Subsidiaries (held directly)			
Tata Communications Transformation Services Limited	India	100.00	100.00
Tata Communications Lanka Limited	Sri Lanka	90.00	90.00
Tata Communications Data Centers Private Limited	India	100.00	100.00
Tata Communications International Pte. Limited	Singapore	100.00	100.00
VSNL SNOSPV Pte. Limited (SNOSPV)	Singapore	100.00	100.00
Tata Communications Payment Solutions Limited	India	100.00	100.00
b. Subsidiaries (held indirectly)			
Tata Communications (Bermuda) Limited	Bermuda	100.00	100.00
Tata Communications (Netherlands) BV	Netherlands	100.00	100.00
Tata Communications (Hong Kong) Limited	Hong Kong	100.00	100.00
ITXC IP Holdings S.A.R.L.	Luxembourg	100.00	100.00
Tata Communications (America) Inc.	United States of America	100.00	100.00
Tata Communications Services (International) Pte Limited	Singapore	100.00	100.00
Tata Communications (Canada) Limited	Canada	100.00	100.00
Tata Communications (Belgium) S.P.R.L.	Belgium	100.00	100.00
Tata Communications (Italy) SRL	Italy	100.00	100.00
Tata Communications (Portugal) Unipessoal LDA	Portugal	100.00	100.00
Tata Communications (France) SAS	France	100.00	100.00
Tata Communications (Nordic) AS	Norway	100.00	100.00
Tata Communications (Guam) L.L.C.	Guam	100.00	100.00
Tata Communications (Portugal) Instalacao E Manutencao De Redes LDA	Portugal	100.00	100.00
Tata Communications (Australia) Pty Limited	Australia	100.00	100.00
Tata Communications Services (Bermuda) Limited	Bermuda	100.00	100.00
Tata Communications (Poland) Sp.z.o.o	Poland	100.00	100.00
Tata Communications (Japan) KK.	Japan	100.00	100.00
Tata Communications (UK) Limited	United Kingdom	100.00	100.00
Tata Communications Deutschland GMBH	Germany	100.00	100.00
Tata Communications (Middle East) FZ-LLC	United Arab Emirates	100.00	100.00
Tata Communications (Hungary) LLC	Hungary	100.00	100.00
Tata Communications (Ireland) Limited	Ireland	100.00	100.00
Tata Communications (Russia) LLC	Russia	99.90	99.90
Tata Communications (Switzerland) GmbH	Switzerland	100.00	100.00
Tata Communications (Sweden) ABs	Sweden	100.00	100.00
TCPoP Communication GmbH	Austria	100.00	100.00
Tata Communications (Taiwan) Limited	Taiwan	100.00	100.00
BitGravity Inc (Merged with Tata Communications (America) Inc. w.e.f 30 June 2014)	United States of America	NA	99.99

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	Country of Incorporation	Percentage of holding and voting power	
		As at 31 March 2015	As at 31 March 2014
Tata Communications (Thailand) Limited (Date of incorporation: 11 July 2013)	Thailand	100.00	100.00
Tata Communications (Malaysia) Sdn. Bhd.	Malaysia	100.00	100.00
Tata Communications (New Zealand) Limited	New Zealand	100.00	100.00
Tata Communications (Spain) S.L	Spain	100.00	100.00
Tata Communications Beijing (Technology) Limited (Date of incorporation: 16 April, 2014)	Beijing, China	100.00	NA
SEPCO Communications (Pty) Limited (SEPCO) (Refer note 30)	South Africa	73.17	73.17
NEOTEL (Pty) Ltd. (Neotel) (held through SEPCO and SNOSPV) (Refer note 30)	South Africa	67.32*	67.32*
Neotel Business Support Services (Pty) Ltd (NBSS) (held through Neotel) (Refer note 30)	South Africa	100.00	100.00
TCNL1 B.V. (Liquidated on 26 August 2014)	Netherlands	NA	100.00
TCNL 2 B.V. (Liquidated on 26 August 2014)	Netherlands	NA	100.00
c. Joint Venture			
United Telecom Limited (ceased to be Joint Venture w.e.f 4 September 2014) (Refer Note 24(i))	Nepal	NA	26.66
d. Associates			
United Telecom Limited (w.e.f 4 September 2014) (Refer Note 24 (i))	Nepal	22.05	NA
Number Portability Company (Pty) Ltd. (held through Neotel) (Refer note 30)	South Africa	20.00	20.00

* Direct and indirect interest

4. Share capital

	₹ in crores	
	As at 31 March 2015	As at 31 March 2014
a. Authorised:		
400,000,000 (2014: 400,000,000) Equity shares of ₹ 10 each	400.00	400.00
b. Issued, Subscribed and Paid up:		
285,000,000 (2014: 285,000,000) Equity shares of ₹ 10 each, fully paid up	285.00	285.00

a. Issued, Subscribed and Paid up:

There was no movement in the issued, subscribed and paid up share capital of the Company during the year and past five financial years.

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares with a face value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share at any general meeting of shareholders. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

The Board of Directors have recommended a dividend of ₹ 5.50 (2014: ₹ 4.50) per share for the year ended 31 March 2015.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
c. Number of shares held by each shareholder holding more than 5% of the issued share capital:

	As at 31 March 2015		As at 31 March 2014	
	No of shares	Percentage	No of shares	Percentage
Panatone Finvest Limited	88,626,654	31.10%	88,626,654	31.10%
Government of India	74,446,885	26.12%	74,446,885	26.12%
Tata Sons Limited	37,237,639	13.07%	37,237,639	13.07%

5. Reserves and surplus

	₹ in crores	
	As at 31 March 2015	As at 31 March 2014
a. Capital Reserve (Refer i below)		
Opening balance	206.06	206.47
Less: Depreciation on gifted assets transferred to Statement of Profit and Loss	-	(0.41)
Closing balance	206.06	206.06
b. Debenture Redemption Reserve		
Opening balance	437.94	350.13
Add: Transferred from Deficit in Statement of Profit and Loss (Refer note 6i and 6ii)	-	87.81
Less: Transfer to General Reserve on redemption of debentures (Refer note 6i and 6ii)	(340.00)	-
Closing balance	97.94	437.94
c. Securities Premium	725.01	725.01
d. Hedge Fluctuation Reserve		
Opening balance	(5.25)	4.79
Add: Changes in fair value during the year	(1.08)	(10.04)
Closing balance	(6.33)	(5.25)
e. Foreign Exchange Translation Reserve (net)		
Opening balance	(1,212.68)	(650.33)
Add: Translation loss on net investment in non-integral foreign operations (refer ii)	0.49	1.06
Add: Exchange translation adjustment during the year	(260.72)	(563.41)
Closing balance	(1,472.91)	(1,212.68)
f. General Reserve		
Opening balance	4,889.16	4,827.27
Add: Transferred from Surplus in Statement of Profit and Loss	67.46	61.89
Add: Transfer from Debenture Redemption Reserve (Refer note 6i and 6ii)	340.00	-
Closing balance	5,296.62	4,889.16

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
g. Deficit in Statement of Profit and Loss		
Opening balance	(4,525.72)	(4,323.47)
Add: Depreciation on transition to Schedule II of the Companies Act 2013 on tangible fixed assets with nil remaining useful lives (net of deferred tax of ₹ 21.27 crores) (Refer note 14(iii) (x))	(41.15)	-
Add: Profit for the year	1.29	101.42
Less: Proposed Dividend (Refer note 4 (b))	156.75	128.25
Tax on Dividend (net of dividend tax credit in respect of earlier year ₹ 11.78 crores (2014: ₹ 9 crores))	20.13	25.72
Transferred to General Reserve	67.46	61.89
Transferred to Debenture Redemption Reserve (Refer note 6i and 6ii)	-	87.81
Closing balance	(4,809.92)	(4,525.72)
Total	36.47	514.52
i. Capital Reserve includes ₹ 205.22 crores in respect of foreign exchange gains on unutilised proceeds from Global Depository Receipts in earlier years.		
ii. During the year 2011-12, the Company had designated the loans given to VSNL SNOSPV Pte Ltd. and Neotel (Pty) Ltd. as part of net investment in non-integral foreign operations. In respect of such loans, an amount of ₹ 0.49 crores (2014: ₹ 1.06 crores) net foreign exchange gain / (loss) has been recorded in foreign exchange translation reserve during the year.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

6. Long-term borrowings

	As at 31 March 2015	As at 31 March 2014
(₹ in crores)		
I. Debentures		
a. Secured		
Taxable Rated Secured Non-Convertible Redeemable Debentures (Refer i below)		
50, 11.25% Rated Debentures of face value ₹ 10 lakhs each	5.00	5.00
550, 11.20% Rated Debentures of face value ₹ 10 lakhs each	55.00	55.00
1,900, 11.00% Rated Debentures of face value ₹ 10 lakhs each	-	190.00
b. Unsecured		
Taxable Rated Unsecured Non-Convertible Redeemable Debentures (Refer ii below)		
1,500, 9.85% Rated Debentures of face value ₹ 10 lakhs each	150.00	150.00
1,500, 9.50% Rated Debentures of face value ₹ 10 lakhs each	-	150.00
II. Unsecured notes		
1,600 (2014: 1,600), 4.25% SGD Notes of face value of SGD 250,000 (Refer iii below)	1,820.15	1,899.18
III. Term Loans (Refer iv below)		
From Banks		
Secured	2,237.09	2,578.11
Unsecured	6,780.29	6,310.63
From Others		
Unsecured	303.63	130.74
	11,351.16	11,468.66
Less: Current maturities of long term borrowings	(3,744.38)	(1,718.11)
	7,606.78	9,750.55

i. Secured Debentures;

The outstanding debentures of ₹ 60 crores (interest ranging from 11.20% to 11.25%, face value of ₹ 1,000,000 each) are secured by a first legal mortgage and charge on the Company's plant and machinery (2014: debentures were secured by a first legal mortgage and charge on the Company's free hold land at Perambur Barracks, Chennai and plant and machinery).

The outstanding debentures are due for redemption as given below:

Date of redemption as per terms of issue	50, 11.25% Debentures	550, 11.20% Debentures
	₹ in crores	
23 January 2019	5	-
23 January 2016	-	55
Total	5	55

For facilitating the above redemptions, the Company has created a debenture redemption reserve of ₹ 32.43 crores (2014: ₹ 222.43 crores), and an amount of ₹ Nil (2014: ₹ 42.83 crores) has been appropriated during the current year.

During the current year, 1,900 11.00% debentures aggregating ₹ 190 crores were redeemed and consequently debenture redemption reserve of ₹ 190 crores created to facilitate the redemption of above debentures was transferred to General reserve.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

ii. Unsecured Debentures;

The outstanding 1,500, 9.85% debentures of ₹ 150 crores are due for redemption on 2 July 2019.

For facilitating the above redemptions, the Company has created a debenture redemption reserve of ₹ 65.51 crores (2014: ₹ 215.51 crores) and an amount of ₹ Nil (2014: ₹ 44.98 crores) has been appropriated during the current year.

During the current year, 1,500 9.50% debentures aggregating ₹ 150 crores were redeemed and consequently debenture redemption reserve of ₹ 150 crores created to facilitate the redemption of above debentures was transferred to General reserve.

- iii. During the year 2012-13, Tata Communications (Netherlands) B.V (TCN BV), a wholly owned subsidiary of the Company issued 1600 Unsecured Notes on the Singapore Stock Exchange (the "Notes") which will mature in February 2016 and carry a fixed interest of 4.25 per cent per annum. These notes are denominated in Singapore Dollars (SGD), the face value of each bond is SGD 250,000. The Notes constitute senior unsecured obligations of the TCN BV and will rank at all times pari passu without any preference among themselves and at least equally with all other present and future outstanding unsecured and unsubordinated obligations of the TCN BV but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. These notes are guaranteed by the Company.

iv. Term Loans from banks and others:

a. Secured term loans from banks

Currency	₹ in crores	Rate of Interest	Maturities	Nature of Securities
ZAR	61.29	12.71%	Quarterly until September 2020	Land and Building in subsidiary
ZAR	1,304.14	3M JIBAR + 4.75%	Quarterly from December 2014 until March 2018	Refer i and ii below
ZAR	100.04	3M JIBAR + 6.75%	Quarterly from December 2014 until March 2020	Refer i below
ZAR	239.19	3M JIBAR + 2.50%	Quarterly from December 2014 until March 2020	Refer i below
ZAR	400.15	3M JIBAR + 6.00%	Quarterly from December 2014 until March 2020	Refer i below
ZAR	67.13	3M JIBAR + 4.75%	Quarterly from June 2013 until September 2016	Refer i and ii below
ZAR	65.15	3M JIBAR + 5.21%	Quarterly from June 2013 until September 2016	Refer i and ii below
Total	2,237.09			
Less: Current maturities	(380.14)			
	1,856.95			

- (i) The loan of ₹ 2,175.80 crores (2014: ₹ 2,504.81 crores) facility is from a consortium of banks, namely Nedbank Limited, The Development Bank of Southern Africa (DBSA) Limited, Investec Bank Limited, Infrastructure Finance Corporation Limited (INCA), Industrial Development Corporation of South Africa (IDC), State Bank Limited of India and Deutsche Investitions - und Entwicklungsgesellschaft mbH (DEG). Investec Bank Limited and Nedbank Limited act on behalf of the consortium of lenders as joint mandated lead arrangers (MLA's). The financing was purely on a "Project recourse" basis without any shareholder recourse or guarantees. The facility is made up of senior debt, subordinated debt and an IDC Mezzanine facility. The details of securities are as follows:

(a) Ceded rights of Neotel:

All rights, claims, entitlements, benefits of other interest including without limitation to debts, insurance proceeds, project revenues, receivables, ceded agreements, debts, incorporeal, equity

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

guarantees, amounts owing to the Group under any loan agreement, mortgage and notarial bonds excluding the consumer deposit account and Neotel's share in NBSS are ceded to the consortium of lenders.

(b) Ceded rights of NBSS:

All rights, claims, entitlements, benefits of other interest including without limitation to debts, insurance proceeds, project revenues, receivables, ceded agreements, debts, incorporeal, equity guarantees, amounts owing to the Group under any loan agreement, mortgage and notarial bonds are ceded to the consortium of lenders.

(ii) Neotel holds ₹ 61.95 crores in fixed deposits as margin money towards loans repayable in the first quarter of financial year 2015-16.

b. Unsecured term loans from banks

Currency	₹ in crores	Rate of Interest	Maturities
USD	158.95	LIBOR plus 1.35%	March 2012 - March 2020
USD	1,094.63	LIBOR plus 2.90%*	December 2013 - December 2015
USD	442.97	LIBOR plus 0.65%	March 2012 - September 2021
SGD	455.04	SIBOR plus 3.00%	December 2016
USD	625.50	LIBOR plus 3.0375%	January 2017 - December 2019
USD	1,501.20	LIBOR plus 2.85%	January 2017 - December 2019
USD	625.50	LIBOR plus 2.75%	December 2015 - December 2017
USD	1,251.00	LIBOR plus 2.30%	December 2017 - December 2019
USD	625.50	LIBOR plus 1.80%	March 2018
Total	6,780.29		
Less: Current maturities	(1,403.06)		
	5,377.23		

* The spread on above LIBOR is based on net debt to EBITDA ratio of the Company and certain subsidiaries of the Company.

c. Unsecured term loans from others

Currency	₹ in crores	Rate of Interest	Maturities
USD	111.97	3.95% Fixed	October 2012 - December 2017
USD	191.66	3.05% Fixed	June 2015 - March 2020
Total	303.63		
Less: Current maturities	(86.03)		
	217.60		

LIBOR – London Interbank Offered Rate, JIBAR- Johannesburg Interbank Agreed Rate, SIBOR - Singapore Interbank Borrowing Offer Rate

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
7. Deferred tax liabilities/ (assets) (net):
A. Major components of deferred tax asset and liability consist of the following:

	As at	As at
	31 March 2015	31 March 2014
		(₹ in crores)
(i) Deferred tax liabilities (net)		
Deferred tax liabilities:		
Difference between accounting and tax depreciation / amortisation	73.49	84.99
Foreign exchange revaluation gain	1.25	8.45
Total deferred tax liabilities	(A) 74.74	93.44
Deferred tax assets:		
Unearned Income and deferred revenue	22.50	33.20
Carry forward net operating losses	1.24	6.90
Others	2.59	2.79
Total deferred tax assets	(B) 26.33	42.89
Deferred tax liabilities (net)	(A - B) 48.41	50.55
(ii) Deferred tax assets (net)		
Deferred tax assets:		
Difference between accounting and tax depreciation / amortisation	48.73	15.79
Unearned Income and deferred revenue	213.60	243.54
Provision for doubtful trade receivables and advances	156.95	149.91
Expenditures disallowed u/s 40 (a) (ia) of Income Tax Act, 1961	195.12	135.81
Interest received on provisional income-tax assessment	18.18	27.83
Employee benefits – compensated absence and bonus	46.90	41.79
Carry forward net operating losses	63.14	67.71
Others	53.51	72.09
Total deferred tax assets	(A) 796.13	754.47
Deferred tax liabilities:		
Difference between accounting and tax depreciation / amortisation	497.70	590.72
Deferred charges for retirement benefit	26.10	30.13
Foreign exchange revaluation gain	22.38	10.33
Total deferred tax liabilities	(B) 546.18	631.18
Deferred tax assets (net)	(A - B) 249.95	123.29

In case of certain subsidiaries of the Group, deferred tax assets arising from unabsorbed depreciation and brought forward business losses have been recognized on the basis of prudence only to the extent of above mentioned deferred tax liability as at 31 March 2015 and 31 March 2014.

B. Statement of deferred tax charge for the year:

	As at	As at
	31 March 2015	31 March 2014
		(₹ in crores)
Opening deferred tax (asset) / liability (net)	(72.74)	17.61
Add: Deferred tax benefit	(109.05)	(93.11)
Less: Translation adjustments	1.18	2.76
Less: Impact of discontinuation of Joint Venture (Refer Note 24 (i))	0.34	-
Add: Adjusted in reserves (Refer Note 14 (iii) (x))	(21.27)	-
Closing Deferred tax (asset) / liability (net)	(201.54)	(72.74)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
8. Other long-term liabilities

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Unearned revenue	4,031.35	3,928.75
b. Trade payables	51.51	58.42
c. Mark to market loss on derivative contracts	45.34	36.76
d. Lease equalisation liability	107.68	102.18
e. Others	29.36	33.00
	4,265.24	4,159.11

9. Long-term provisions

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Provision for employee benefits (Refer note 31) :		
(i) Compensated absences	78.64	60.91
(ii) Post-employment medical benefits	84.77	61.42
(iii) Pension	19.06	13.42
(iv) Gratuity	2.78	1.13
b. Provision for contingencies (Refer note 32)	125.79	127.05
	311.04	263.93

10. Short-term borrowings

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
I. Unsecured		
<u>From banks</u>		
a. Buyers credit (rate of interest per annum – 0.84% to 1.25%)	365.88	316.18
b. Other term loans (rate of interest per annum – 1.83% to 2.80%)	746.70	1,274.19
c. Bank overdrafts	190.16	212.35
	1,302.74	1,802.72
II. Secured		
<u>From banks</u>		
a. Term loans (rate of interest – 3 months JIBAR + 3%) (Refer i below)	421.82	423.00
	1,724.56	2,225.72
i. Secured against ₹ 436.09 crores (2014 : ₹ 439.23 crores) held in the margin money with bank against short term loan drawn by Neotel.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
11. Trade payables

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Network and transmission expenses payable	3,223.73	3,657.52
b. Payables to related parties	21.31	21.07
c. Accrued payroll	424.65	361.68
	3,669.69	4,040.27

12. Other current liabilities

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Current maturities of long term borrowings (Refer note 6)		
Secured	435.14	135.63
Unsecured	3,309.24	1,582.48
b. Capital creditors	397.56	336.80
c. Licence fees payable	61.66	67.34
d. Interest accrued but not due	57.33	68.96
e. Deferred revenues and advances received from customers	952.89	827.86
f. Government of India account	20.57	20.57
g. Unpaid dividend (Refer i below)	0.40	0.38
h. Mark to market loss on derivative contracts	228.27	-
i. Gratuity (Refer note 31)	12.54	4.05
j. Other liabilities	157.34	147.32
	5,632.94	3,191.39

i. There are no dividends due and outstanding for a period exceeding seven years.

13. Short-term provisions

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Provision for employee benefits (Refer note 31)		
(i) Compensated absences	56.56	54.89
(ii) Post-employment medical benefits	6.51	6.08
(iii) Provision for gratuity	0.22	1.12
b. Provision for proposed dividend	156.75	128.25
c. Tax on dividend	31.91	30.29
d. Provision for taxes (net of advance tax of ₹ 1,126.12 crores (2014: ₹ 926.40 crores)	404.80	291.65
e. Provision for others	0.91	0.91
	657.66	513.19

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

14. Fixed assets
i. Tangible assets

	Free hold Land	Leasehold Land	Leasehold Improvements	Building	Plant and Machinery	Furniture and Fixtures	Office Equipment	Computers	Motor Vehicles	Total
Gross Block										
At 1 April 2013	92.75	220.04	194.99	849.96	20,555.21	204.60	128.90	791.80	1.21	23,039.46
Additions	0.11	-	171.85	2.41	1,504.29	13.32	9.74	41.20	0.52	1,743.44
Disposals	-	-	-	(3.24)	(36.25)	(0.06)	(0.07)	(1.75)	(0.17)	(41.54)
Adjustments (Refer iii (vii) below)	5.71	1.79	17.21	5.52	931.04	2.01	2.50	26.48	0.01	992.27
At 31 March 2014	98.57	221.83	384.05	854.65	22,954.29	219.87	141.07	857.73	1.57	25,733.63
Additions	-	3.40	201.14	84.89	1,561.36	29.17	34.10	60.72	0.35	1,975.13
Disposals	(0.04)	-	-	(5.47)	(179.28)	(0.26)	(0.07)	(12.14)	-	(197.26)
Adjustments (Refer iii (vii) below)	1.24	0.85	(4.02)	(9.32)	33.64	(7.06)	11.53	(6.60)	(0.39)	19.87
At 31 March 2015	99.77	226.08	581.17	924.75	24,370.01	241.72	186.63	899.71	1.53	27,531.37
Accumulated Depreciation										
At 1 April 2013	-	28.96	91.46	176.65	8,698.79	109.01	41.47	600.59	1.02	9,747.95
Depreciation/ Amortisation	-	2.88	26.32	26.26	1,668.63	13.07	8.24	87.75	0.03	1,833.18
Disposals	-	-	-	(0.87)	(24.75)	(0.05)	(0.03)	(1.53)	(0.13)	(27.36)
Adjustments (Refer iii (vii) below)	-	0.80	7.81	2.44	295.52	0.53	1.18	16.61	0.01	324.90
At 31 March 2014	-	32.64	125.59	204.48	10,638.19	122.56	50.86	703.42	0.93	11,878.67
Depreciation/ Amortisation	-	2.91	71.29	31.90	1,690.59	25.54	46.62	86.47	0.15	1,955.47
Disposals	-	-	-	(1.94)	(114.41)	(0.26)	(0.07)	(11.93)	-	(128.61)
Adjustments (Refer iii (vii) below)	-	0.40	(10.26)	(3.40)	(52.76)	(6.19)	9.28	(3.27)	(0.20)	(66.40)
At 31 March 2015	-	35.95	186.62	231.04	12,161.61	141.65	106.69	774.69	0.88	13,639.13
Net Block										
At 31 March 2014	98.57	189.19	258.46	650.17	12,316.10	97.31	90.21	154.31	0.64	13,854.96
At 31 March 2015	99.77	190.13	394.55	693.71	12,208.40	100.07	79.94	125.02	0.65	13,892.24

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
ii. Intangible assets
(₹ in crores)

	Software	Licence fees	Goodwill	Total
Gross Block				
At 1 April 2013	1,108.02	18.47	781.53	1,908.02
Additions	114.44	0.03	-	114.47
Disposals	(2.86)	-	-	(2.86)
Adjustments (Refer iii (vii) below)	52.53	(0.57)	68.39	120.35
At 31 March 2014	1,272.13	17.93	849.92	2,139.98
Additions	251.12	-	-	251.12
Disposals	(2.20)	-	-	(2.20)
Adjustments (Refer iii (vii) below)	13.10	(5.12)	32.59	40.57
At 31 March 2015	1,534.15	12.81	882.51	2,429.47
Accumulated Amortisation				
At 1 April 2013	732.33	11.58	617.16	1,361.07
Depreciation/ Amortisation	191.50	0.74	64.56	256.80
Disposals	(1.79)	-	-	(1.79)
Adjustments (Refer iii (vii) below)	32.61	(0.39)	50.94	83.16
At 31 March 2014	954.65	11.93	732.66	1,699.24
Depreciation/ Amortisation	202.45	0.33	65.26	268.04
Disposals	(2.20)	-	-	(2.20)
Adjustments (Refer iii (vii) below)	12.13	(3.40)	28.92	37.65
At 31 March 2015	1,167.03	8.86	826.84	2,002.73
Net Block				
At 31 March 2014	317.48	6.00	117.26	440.74
At 31 March 2015	367.12	3.95	55.67	426.74

iii. Notes

- i. Freehold land includes ₹ 0.16 crores (2014: ₹ 0.16 crores) identified as surplus land.
- ii. Gross block of buildings includes:
₹ 32.75 crores (2014: ₹ 32.75 crores) for flats at Mumbai in respect of which agreements have not been executed.
- iii. Gross block and accumulated depreciation of plant and machinery include Indefeasible Rights of Use (IRUs) for domestic and international telecommunication circuits of ₹ 2,966.45 crores (2014: ₹ 2,837.20 crores) and ₹ 1,466.78 crores (2014: ₹ 1,264.38 crores) respectively.
- iv. Gross block and accumulated depreciation of plant and machinery include proportionate amounts towards share of assets held jointly with other enterprises of ₹ 1,837.38 crores (2014: ₹ 1,856.77 crores) and ₹ 705.98 crores (2014: ₹ 636.40 crores) respectively.
- v. Fixed assets include assets taken on finance lease. Details of such assets have been given in Note 39.
- vi. Finance cost capitalised during the year is ₹ 22.10 crores (2014: ₹ 22.57 crores) in respect of capital expenditure.
- vii. Adjustments to gross block and accumulated depreciation include ₹ 492.92 crores and ₹ 293.73 crores (2014: ₹ 1,143.53 crores and ₹ 441.32 crores) pertaining to foreign exchange translation differences on the Group's foreign subsidiaries.
- viii. Depreciation on fixed assets has been provided on the straight-line method. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1 April 2014, the Company has revised

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

the estimated useful lives, for the Indian entities, of some of its assets to align the useful lives with those specified in Schedule II. The details are as follows:

Asset	Previous useful lives	Revised useful lives
Building	58 years 3 months	60 years
Computers		
– Computers and end point equipment	5 years 10 months	3 years
– IT servers	5 years 10 months	6 years
Office equipment	20 years	5 years
Furniture and fixtures	15 years	10 years
Plant & Machinery		
– Electrical installation and equipment	8 years	10 years
– Network switching unit and Earth station	12 years	13 years

- ix. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 38.64 crores consequent to the change in the useful lives of the assets.
- x. The reconciliation of depreciation and amortisation expense as per the Fixed Assets schedule given above and that as shown in the Statement of Profit and Loss is given below:

	Year ended 31 March 2015	<i>(₹ in crores)</i> Year ended 31 March 2014
Depreciation and amortisation for the year on tangible assets as per note 14(i) above	1,955.47	1,833.18
Amortisation for the year on intangible assets as per note 14(ii) above	268.04	256.80
Less :Deprecation on tangible assets transferred to deficit in Statement of Profit and Loss (Refer note 5 (g))	(62.42)	-
Less :Depreciation relating to discontinuing operations (Refer note 30)	(220.65)	(239.47)
Add :Goodwill amortisation	-	1.80
Less: Depreciation on gifted assets transferred from capital reserve	-	(0.41)
Depreciation and amortisation expenses as per Statement of Profit and Loss	1,940.44	1,851.90

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

15. Non-current investments

	As at 31 March 2015		As at 31 March 2014	
	No of shares	₹ in crores	No of shares	₹ in crores
(₹ in crores)				
Investment (Trade) (at cost)				
a. Fully Paid Equity Shares (Quoted)				
Pendrell Corporation (formerly known as New ICO Global Communications (Holdings) Limited) (Class A common stock of US\$ 0.01 each)	680,373	0.01	680,373	0.01
Subtotal (a)		0.01		0.01
b. Fully Paid Equity Shares (Unquoted)				
Tata Teleservices Ltd. * (Equity shares of ₹ 10 each) (Refer i below)	439,863,622	748.03	439,863,622	748.03
Wmode Inc.	4,440,227	3.48	4,440,227	3.36
Green Infra Wind Farms Limited (Equity shares of ₹ 10 each)	78,000	0.08	78,000	0.08
Green Infra Wind Generation Limited (Equity shares of ₹ 10 each)	108,000	0.10	108,000	0.10
ReNew Wind Energy (Karnataka) Pvt Ltd (Equity shares of ₹ 10 each)	32,000	0.32	32,000	0.32
Radhapura Wintech Private Limited (Equity shares of ₹ 10 each)	19,370	0.02	19,370	0.02
Smart ICT Services Private Limited (Equity shares of ₹ 10 each)	9,500	0.01	9,500	0.01
Subtotal (b)		752.04		751.92
c. Fully Paid Preference Shares (Unquoted)				
Smart ICT Services Private Limited	54,208	0.05		-
Sentient Technologies Holdings Limited (Refer ii below)	870,447	125.10		-
Subtotal (c)		125.15		-
d. Investment in Associates				
Number Portability Company Pty. Ltd. (Includes Goodwill of ₹ Nil)				
Opening balance	100	1.87	100	1.70
Translation adjustment		(0.18)		(0.17)
Dividends received		-		(1.35)
Add: Share in Profit / (loss) for the year		0.14		1.69
Closing balance – Subtotal (d)		1.83		1.87
United Telecom Limited (Refer note 24 (i))	5,731,900	-		NA
Total (a + b + c + d)		879.03		753.80
Market value of quoted investments		5.53		7.46
Book value of quoted investments		0.01		0.01
Book value of unquoted investments		879.02		753.79

- i. Equity investment is subject to certain restrictions on transfer as per the terms of contractual agreements.
- ii. During the current year the Company has invested ₹ 125.10 crores (US\$ 20 million) for 2.30% stake in Sentient Technologies Holdings Limited through its indirect subsidiary Tata Communications (Hong Kong) Limited.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
16. Long-term loans and advances

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. <u>Capital advances:</u>		
Unsecured, Considered good	3.19	42.04
Unsecured, Considered doubtful	6.01	6.01
Less: provision for doubtful advances	(6.01)	(6.01)
	3.19	42.04
b. <u>Security deposits:</u>		
Unsecured, Considered good	87.84	96.56
Unsecured, Considered doubtful	2.57	2.21
Less: provision for doubtful security deposits	(2.57)	(2.21)
	87.84	96.56
c. Prepaid pension assets (Refer Note 31 (B))	109.65	112.40
d. Prepaid expenses – Unsecured, considered good	257.45	295.65
e. Advance tax (net of provisions of ₹ 4,917.07 crores (2014: ₹ 4,955.08 crores))	1,410.75	1,655.05
f. Amount paid under protest (Refer note 40 a 2 (iv))	25.58	25.58
g. <u>Other advances/receivables</u>		
Unsecured, Considered good	142.31	163.88
Unsecured, Considered doubtful	1.92	0.92
Less: provision for doubtful advances	(1.92)	(0.92)
	142.37	163.88
	2,036.77	2,391.16

17. Other non-current assets

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
a. Pension contributions recoverable from Government of India (net) (Refer i below)	7.44	7.44
b. NLD licence fees reimbursement recoverable from Government of India	0.64	0.64
c. Others	0.29	4.24
	8.37	12.32
i. As at 31 March 2015 the proportionate share of pension obligations and payments of ₹ 61.15 crores (2014: ₹ 61.15 crores) to the erstwhile Overseas Communications Service ("OCS") employees was recoverable from the Government of India ("the Government"). Pursuant to discussions with the Government, the Company had made a provision of ₹ 53.71 crores (2014: ₹ 53.71 crores) resulting in a net amount due from the Government towards its share of pension obligations of ₹ 7.44 crores (2014: ₹ 7.44 crores).		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

18. Current investments

	As at 31 March 2015		As at 31 March 2014	
	No of units	₹ in crores	No of units	₹ in crores
(₹ in crores)				
Investments in Mutual Funds (Unquoted)				
Axis Bank Debt Fund - Direct – Growth	275,368	35.35	172,851	20.25
Baroda Pioneer Treasury Advantage Fund - Growth-Direct	158,188	25.27	328,948	47.99
Baroda Pioneer Liquid Fund - Plan B – Growth	-	-	263,751	38.75
Birla Sunlife Cash Plan - Growth – Direct	-	-	6,082,787	125.00
Birla Sunlife Cash Manager - Direct – Growth	750,156	25.60	-	-
Birla Sunlife Floating Rate Long Term Plan - Growth – Direct	-	-	4,554,599	69.80
HDFC Banking and PSU Debt Fund -Growth – Direct	22,703,743	25.00	-	-
HDFC Cash Mgmt Fund - Savings Plan – Growth-Direct	17,120,004	50.00	-	-
HDFC Floating Rate Income Fund - STP Direct – Growth	-	-	11,507,964	25.18
ICICI Prudential Banking and PSU Fund - Direct – Growth	18,521,535	28.88	36,183,181	50.86
ICICI Prudential Ultra Short Term Plan - Direct – Growth	46,496,219	66.56	58,411,694	75.79
ICICI Prudential Flexible Income Plan - Direct – Growth	1,988,514	52.41	4,797,733	115.32
ICICI Prudential Liquid Fund - Direct Growth	-	-	5,272,588	100.00
IDFC Money Manager Fund - Treasury Plan - Direct – Growth	11,421,004	25.34	12,399,000	25.14
JPMorgan India Liquid Fund - Super IP – Growth	-	-	21,082,305	35.00
Kotak Liquid Scheme - Plan - A- Direct – Growth	287,310	81.50	-	-
Kotak Treasury Advantage - Direct Growth	11,276,162	25.17	-	-
L & T Cash Fund - Direct – Growth	142,487	16.13	-	-
Reliance Liquid Fund - Cash Plan – Growth	112,091	25.21	-	-
Religare Credit Opportunities Fund - Direct – Growth	327,674	52.44	276,837	40.38
Religare Ultra Short Term Fund -Direct – Growth	199,835	38.72	196,087	34.78
SBI Mangnum Insta Cash Liquid Floater Plan - Direct – Growth	105,343	25.17	111,780	24.50
SBI Treasury Advantage Fund - Direct – Growth	162,232	25.24	-	-
Sundaram Ultra Short Term - Direct Growth	26,606,218	51.25	20,210,262	35.57
Tata Money Market Fund - Growth – Direct	453,764	100.00	173,348	35.00
Templeton India TMA - Super IP -Direct - Growth	-	-	183,161	35.00
Templeton Low Duration Fund - Direct – Growth	22,883,917	35.29	-	-
UTI Banking & PSU Debt Fund - Direct – Growth	22,727,868	25.16	-	-
UTI Treasury Advantage Fund -IP- Direct- Growth	109,423	20.78	-	-
Birla Sunlife Cash Plus –Growth	-	-	730,315	15.00
ICICI Prudential Liquid Fund –Growth	-	-	1,582,696	30.00
Religare Ultra Short Term – Growth	-	-	142,152	25.11
LIC Nomura Liquid Fund – Growth Plan – LICLF	126,399	32.00	-	-
Total		888.47		1,004.42
Book value of unquoted investments		888.47		1,004.42

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
19. Trade receivables - Unsecured

	(₹ in crores)	
	As at 31 March 2015	As at 31 March 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	132.63	111.81
Doubtful	642.73	590.02
	775.36	701.83
Less: Provision for doubtful trade receivables	(642.73)	(590.02)
	132.63	111.81
Other trade receivables		
Considered good	2,354.37	2,622.09
Doubtful	9.18	11.43
	2,363.55	2,633.52
Less: Provision for doubtful trade receivables	(9.18)	(11.43)
	2,354.37	2,622.09
	2,487.00	2,733.90

The Group has entered into a factoring arrangement to sell, without recourse, certain receivables to an unrelated third party financial institution. The Group has sold receivables amounting to ₹ 223.16 crores (2014: ₹ 185.16 crores) which were due after 31 March 2015. The receivables sold have been derecognised because these receivables have been put beyond the reach of the Company or the creditors even in receivership, does not provide any trivial benefit to the transferee and the Company does not maintain effective control over the sold receivables.

20. Cash and bank balances

	(₹ in crores)	
	As at 31 March 2015	As at 31 March 2014
Cash and Cash Equivalents:		
a. Cash on hand	0.15	0.15
b. Cheques on hand	-	10.13
c. Remittances in transit	48.27	15.48
d. Cash at Automated Teller Machines	226.49	43.83
e. Current accounts with banks	527.34	621.45
f. Deposit accounts with banks	96.19	475.52
	898.44	1,166.56
Other Bank Balances:		
g. Deposits with original maturity over three months	57.93	30.95
h. Deposit accounts held as margin money (refer i below, Note 6 iv (ii)) and Note 10 (ii)	664.38	471.57
i. Unpaid dividend accounts	0.40	0.39
	1,621.15	1,669.47
Cash and Bank Balances		
i. As per the requirement of Companies (Share Capital and Debentures) Rules, 2014, the Company has earmarked ₹ 8.25 crores (2014: ₹ 51.00 crores) towards redemption of debentures.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
21. Short-term loans and advances

	(₹ in crores)	
	As at 31 March 2015	As at 31 March 2014
Unsecured, considered good		
a. Loans and advances to employees	4.91	16.66
b. Sundry Deposits	10.00	12.11
c. Prepaid expenses	303.11	306.38
d. Balances with government authorities	249.60	238.19
e. Export incentive receivable	0.84	46.35
f. Other advances	98.20	57.99
	666.66	677.68

22. Other current assets

	(₹ in crores)	
	As at 31 March 2015	As at 31 March 2014
a. Interest receivable	11.07	13.88
b. Gratuity (Refer note 31(A) (iii))	-	0.73
c. Derivative Assets	25.46	-
d. Others	1.17	2.06
	37.70	16.67

23. During the year, the Company has received duty credit scrips aggregating ₹ 4.32 crores (2014: ₹ 46.35 crores) in respect of foreign exchange earnings to be utilised towards import duty. This is included in Other Operating Income.

24. Other income

	(₹ in crores)	
	Year Ended 31 March 2015	Year Ended 31 March 2014
a. Interest Income		
Bank deposits	51.82	33.50
Others	0.14	0.63
b. Profit on sale of current investments	79.00	75.32
c. Profit on sale of fixed assets (net)	11.86	10.45
d. Rent	18.02	7.22
e. Interest on income tax refund	130.94	5.42
f. Exchange gain / (loss) (net)	(32.10)	(43.27)
g. Provisions / liabilities no longer required - written back	11.46	16.08
h. Others (Refer i below)	33.80	29.06
	304.94	134.41

i. United Telecom Limited (UTL) passed a resolution on 04 September 2014, wherein the joint venture agreement between the shareholders of UTL was amended to the effect that certain major decisions of UTL would require the affirmative vote of a two-third majority of the directors compared to the earlier clause which required the affirmative vote of all directors. This led to the termination of joint control and consequently the joint venture status. The same has been accounted as an associate with effect from the above resolution date. Consequently, loss absorbed in excess of its investments of ₹ 35.82 crores till the said resolution date has been reversed amounting to ₹ 12.40 crores (2014: Nil) and is included in "Others" above.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
25. Network and transmission

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
a. Charges for use of transmission facilities	9,631.54	9,824.22
b. Royalty and licence fee	179.48	184.43
c. Rent of satellite channels	58.11	75.75
d. Administrative lease charges	61.56	80.04
	9,930.69	10,164.44

26. Employee benefits

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
a. Salaries and related costs	2,201.34	1,919.07
b. Contributions to provident, gratuity and other funds (Refer note 31)	117.00	141.65
c. Staff welfare expenses	115.18	86.98
	2,433.52	2,147.70

27. Operating and other expenses

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
a. Consumption of stores	32.51	32.27
b. Light and power	418.26	368.93
c. Repairs and Maintenance:		
i. Buildings	36.70	30.62
ii. Plant and machinery	893.42	822.49
iii. Others	1.84	0.32
d. Provision for doubtful trade receivables	54.78	52.81
e. Provision for doubtful advances	0.40	0.57
f. Rent	184.03	167.02
g. Rates and taxes	104.41	115.00
h. Travelling	170.05	144.31
i. Telephone	43.79	49.69
j. Printing, postage and stationery	10.06	9.51
k. Legal and professional fees	164.15	183.62
l. Advertising and publicity	189.01	158.93
m. Commissions	24.84	17.02
n. Services rendered by agencies	253.32	270.37
o. Insurance	20.42	21.21
p. Corporate social responsibility expenditure (Refer i below)	5.81	-
q. Other expenses (Refer note 33)	530.53	524.98
	3,138.33	2,969.67

- i. As required by the Companies Act, 2013 and rules thereon, the gross amount required to be spent by the Company and its Indian subsidiaries during the year toward Corporate Social Responsibility (CSR) amount to ₹ 11.97 crores (2014: Nil). The Company spent ₹ 5.81 crores (2014: Nil) during the year on CSR activities mainly for promotion of education, social business projects etc.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

28. Finance cost

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
a. Interest on bank loans	317.10	325.71
b. Interest on debentures	30.62	56.65
c. Other interest	70.39	56.21
Less: Interest capitalised	(18.18)	(11.10)
	399.93	427.47

29. Exceptional items

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
a. Input credit against certain statutory obligations (Refer i below)	-	216.22
b. Gain on sale of fixed assets (net) (Refer ii below)	84.78	-
	84.78	216.22

i. During the previous year, the Company has recognised ₹ 216.22 crores towards input credits against certain statutory obligations relating to earlier periods which have been accounted for on crystallisation of the entitlements to such credits.

ii. During the year, the Company sold land and building in Mumbai for a consideration of ₹ 85.50 crores resulting in a profit on sale of fixed assets of ₹ 84.78 crores.

30. Discontinuing Operations:

During the year, Vodacom Group Limited and all the shareholders of Neotel including VSNL SNOSPV Pte Ltd have agreed on the commercial structure and terms for Vodacom Group Limited to acquire 100% shares of Neotel from its shareholders. The structure of the deal and its commercial terms are subject to regulatory and competition authority approvals and the parties have commenced the necessary process in this regard.

Consequently, Neotel has been disclosed as discontinuing operations and the previous year figures relating to Profit and Loss line items have been disclosed accordingly.

The results of the discontinuing operations are as under:

	(₹ in crores)	
	Year Ended	Year Ended
	31 March 2015	31 March 2014
A Statement of Profit and Loss		
1. Income from operations		
Revenue from telecommunications services	1,953.86	1,951.69
2. Other income	91.52	8.89
3. Total revenue (1 + 2)	2,045.38	1,960.58
4. Expenses		
a. Network and transmission expenses	623.56	581.28
b. Employee benefits	361.31	349.91
c. Other operating expenses	431.88	364.94
d. Finance cost (net of interest capitalised of ₹ 3.92 crores (2014: ₹ 11.97 crores)	350.86	334.23
e. Depreciation and amortisation expense	220.65	239.47
Total Expenses	1,988.26	1,869.83

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	(₹ in crores)	
	Year Ended 31 March 2015	Year Ended 31 March 2014
5. Profit before exceptional item and taxes (3 – 4)	57.12	90.75
6. Exceptional item loss - Impairment of goodwill on consolidation (Refer i below)	190.00	150.00
7. Loss Before Taxes (5 – 6)	(132.88)	(59.25)
8. Tax expense	-	-
9. Net Loss After Tax (7 – 8)	(132.88)	(59.25)
10. Share in profit of associate	0.14	1.69
11. Net Loss for the year from Discontinuing Operations (9 + 10)	(132.74)	(57.56)
B Carrying amount of assets and liabilities		
1. Total Assets (Refer note ii)	2,967.53	3,276.78
2. Total Liabilities	3,297.43	3,521.99
C. Net cash flows attributable to discontinuing operation		
1. Cash flow from operating activities	695.99	658.62
2. Cash Flow from investing activities	(340.16)	(350.63)
3. Cash Flow from financing activities	(385.91)	(177.00)
4. Exchange difference on translation of foreign currency cash and cash equivalents	(18.96)	(11.95)
Net Cash Inflow / (Outflow)	(49.04)	119.04

Note:

- i. The group has made a provision towards impairment of Goodwill on consolidation pertaining to discontinuing operations of ₹ 190 crores (2014: ₹ 150 crores)
- ii. Includes Goodwill on consolidation ₹ 282.24 crores (2014: ₹ 520.20 crores)
- iii. Till 2013-14, Neotel was treated as a separate segment under the head South Africa Operations (SAO). Revenue and segment result for SAO is as given below:

	(₹ in crores)	
	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from telecommunications services	1,953.86	1,951.69
Segment results	316.46	416.09
Finance cost	(350.86)	(334.23)
Other Income	91.52	8.89
Profit before tax and exceptional item	57.12	90.75
Exceptional item gain (impairment of Goodwill on Consolidation)	(190.00)	(150.00)
Loss before tax	(132.88)	(59.25)
Tax expense (net)	-	-
Share in Profit of associate	0.14	1.69
Net Profit after tax	(132.74)	(57.56)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)**31. Employee Benefits****(A) Indian entities:****Retirement Benefits****i. Defined Contribution Plan****Provident Fund:**

The Company and its Indian subsidiaries make contribution towards provident fund under a defined contribution retirement benefit plan for employees. The provident fund is administered by the Trustees of the Tata Communications Employees' Provident Fund Trust and by the Regional Provident Fund Commissioner. Under this scheme, each employer is required to contribute a specified percentage of payroll cost to fund the benefits. For certain subsidiaries the contribution is paid to The Provident Fund Commissioner.

The rules of the Company's Provident Fund administered by the Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under the applicable law for the reason that the return on investment is lower or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future. There has also been no such deficiency since the inception of the Fund.

Provident fund contributions amounting to ₹ 31.21 crores (2014: ₹ 26.81 crores) have been charged to the Statement of Profit and Loss.

ii. Defined Benefit Plan**Gratuity:**

The Company and its Indian subsidiaries make annual contributions under the Employee's Gratuity scheme to a fund administered by trustees covering all eligible employees. The plan provides for lump sum payments to employees whose right to receive gratuity had vested at the time of resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service except in case of death. For certain subsidiaries the gratuity plan is unfunded.

Medical Benefit:

The Company reimburses domiciliary and hospitalisation expenses not exceeding specified limits incurred by eligible and qualifying employees and their dependent family members under the Tata Communication employee's medical reimbursement scheme.

Pension Plan:

The Company's pension obligations relate to certain employees transferred to the Company from the Overseas Communications Service ("OCS") an erstwhile department of Ministry of Commerce, Government of India. The Company purchases life annuity policies from an insurance company to settle such pension obligations. During the year, the Company has incurred a charge of ₹ 6.94 crores (2014: ₹ 10.53 crores) to meet the additional pension obligation on account of increase in Pension and Dearness Allowance. Pension liability as on 31 March, 2015 is ₹ 0.68 crores (2014 ₹ 2.40 crores) and is classified under long term provisions.

The details in respect of the status of funding and the amounts recognised in the Company's consolidated financial statements for these defined benefit schemes are as under:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

		Gratuity (Funded)		Gratuity (Unfunded)		Medical Benefits (Unfunded)	
		As at 31 March		As at 31 March		As at 31 March	
		2015	2014	2015	2014	2015	2014
(₹ in crores)							
I	Change in the defined benefit obligation						
	Liability at the beginning of the period	70.64	63.80	2.25	1.00	67.51	56.77
	Current service cost	5.83	5.58	0.39	0.38	0.30	0.65
	Interest cost	6.30	4.87	0.20	0.16	5.83	4.26
	Liability transferred from / (to) other companies	1.88	2.03	(0.03)	1.03	-	-
	Actuarial (gain) / loss on obligations	10.26	(1.61)	0.46	(0.32)	27.25	12.90
	Benefits paid	(5.70)	(4.03)	(0.27)	-	(9.61)	(7.07)
	Liability at the end of the period	89.21	70.64	3.00	2.25	91.28	67.51
		As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March
		2015	2014	2015	2014	2015	2014
II	Change in Fair Value of Assets						
	Opening fair value of plan assets	67.32	56.30	-	-	-	-
	Expected return on plan assets	5.30	4.65	-	-	-	-
	Employer's contribution	3.73	7.68	-	-	-	-
	Transfer (to) / from other company	1.88	1.60	-	-	-	-
	Actuarial gain / (loss)	4.14	1.12	-	-	-	-
	Benefits paid	(5.70)	(4.03)	-	-	-	-
	Closing fair value of plan assets	76.67	67.32	-	-	-	-
		As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March
		2015	2014	2015	2014	2015	2014
III	Amount recognised in the Consolidated Balance Sheet						
	Present value of funded obligations	89.21	70.64	-	-	-	-
	Fair value of plan assets at the end of the period	(76.67)	(67.32)	-	-	-	-
	Present value of unfunded obligations	-	-	3.00	2.25	91.28	67.51
	Net (asset) / liability in the Consolidated Balance Sheet	12.54	3.32	3.00	2.25	91.28	67.51
	Other current liability (Refer note 12)	12.54	4.05	-	-	-	-
	Other current assets (Refer note 22)	-	0.73	-	-	-	-
	Short term provision (Refer note 13)	-	-	0.22	1.12	6.51	6.08
	Long term provision (Refer note 9)	-	-	2.78	1.13	84.77	61.42

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	(₹ in crores)					
	Gratuity (Funded)		*Gratuity (Unfunded)		**Medical Benefits (Unfunded)	
	As at 31 March 2015	2014	As at 31 March 2015	2014	As at 31 March 2015	2014
IV Expenses recognised in the Statement of Profit and Loss						
Current service cost	5.83	5.58	0.39	0.38	0.30	0.65
Interest cost	6.30	4.87	0.20	0.16	5.83	4.26
Expected return on plan assets	(5.30)	(4.65)	-	-	-	-
Net actuarial loss / (gain) to be recognised	6.12	(2.73)	0.46	(0.32)	27.25	12.90
Expense recognised in the Statement of Profit and Loss in note 26 "Employee benefits"	12.95	3.07	1.05	0.22	33.38	17.81
*Contribution to provident, gratuity and other funds	12.95	3.07	1.05	0.22	-	-
**Staff Welfare expenses	-	-	-	-	33.38	17.81
	As at 31 March 2015	2014	As at 31 March 2015	2014	As at 31 March 2015	2014
V Categories of plan assets as a percentage of total plan assets						
Cash and bank	11.24%	3.85%	-	-	-	-
Government securities	33.77%	25.64%	-	-	-	-
Corporate bonds	38.17%	54.66%	-	-	-	-
Equity	16.82%	15.85%	-	-	-	-
Total	100.00%	100.00%	-	-	-	-

The Company's policy and objective for plan assets management is to recognise return on plan assets to meet future benefit payment requirements while at the same time accepting a low level of risk. The asset allocation for plan assets is determined based on the investment criteria approved under the Income Tax Act, 1961 and is also subject to other exposure limitations.

	As at 31 March	
	2015	2014
VI Principal Actuarial assumptions :		
Discount rate	7.80%	9.30%
Expected return on plan assets	8.00%	8.00%
Increase in compensation cost	6% to 10%	6% to 10%
Health care cost increase rate	6%	4%
Attrition rate	3% to 15%	3% to 15%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimates of future compensation cost considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

		(₹ in crores)				
VII Experience adjustment	Gratuity (Funded)					
	As at 31 March					
	2015	2014	2013	2012	2011	
Defined benefit obligation	(89.21)	(70.64)	(63.80)	(61.64)	(52.45)	
Plan assets	76.67	67.32	56.30	54.26	48.86	
Surplus / (deficit)	(12.54)	(3.32)	(7.50)	(7.38)	(3.59)	
Exp. Adj. on plan liabilities gain / (loss)	(1.32)	(2.59)	(2.30)	6.73	(1.87)	
Exp. Adj. on plan assets gain / (loss)	4.14	1.12	1.54	(0.73)	2.32	
Actuarial gain / (loss) due to change of assumptions	(8.94)	4.20	(2.51)	(8.52)	-	
	Gratuity (Unfunded)					
	As at 31 March					
	2015	2014	2013	2012	2011	
Defined benefit obligation	(3.00)	(2.25)	(1.00)	(0.37)	(1.70)	
Surplus / (deficit)	(3.00)	(2.25)	(1.00)	(0.37)	(1.70)	
Exp. Adj. on plan liabilities (loss) / gain	(0.12)	0.21	(0.10)	(0.11)	(0.23)	
Actuarial gain / (loss) due to change of assumptions	(0.34)	0.12	(0.05)	(0.04)	-	
	Medical Benefit (Unfunded)					
	As at 31 March					
	2015	2014	2013	2012	2011	
Defined benefit obligation	(91.28)	(67.51)	(56.75)	(52.00)	(45.38)	
Surplus / (deficit)	(91.28)	(67.51)	(56.75)	(52.00)	(45.38)	
Exp. Adj. on plan liabilities gain / (loss)	(6.64)	(13.25)	(6.76)	(5.28)	-	
Actuarial gain / (loss) due to change of assumptions	(20.61)	0.35	(2.64)	(4.13)	-	

(₹ in crores)

VIII Effect of change in Assumed Health Care Cost Trend Rate. A one – percentage – point change in assumed health care cost trend rates would have the following effects:

	31 March 2015		31 March 2014	
	Increase	Decrease	Increase	Decrease
Effect on service cost	0.05	0.04	0.01	0.01
Effect on interest cost	0.36	0.31	0.11	0.09
Effect on post employment benefit obligation	7.11	5.96	3.86	3.33

The Company and its Indian subsidiaries expects to contribute ₹ 12.54 crores (2014: ₹ 3.32 crores) towards employer's contribution for funded defined benefit plans in financial year 2015-16.

IX. Leave plan and Compensated absences
For executives

Leave unavailed of by eligible employees may be carried forward/encashed by them/their nominees in the event of death or permanent disablement or resignation, subject to a maximum leave of 120 days in addition to accumulated leave balance available in accumulated quota.

For non executives

Leave unavailed of by eligible employees may be carried forward/encashed by them/their nominees in the event of death or permanent disablement or resignation, subject to a maximum leave of 300 days.

The liability for compensated absences as at the year end is ₹ 86.82 crores (2014: ₹ 69.41 crores) as shown under long term provisions ₹ 78.64 crores (2014: ₹ 60.91 crores) and short term provisions ₹ 8.18

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

crores (2014: ₹ 8.50 crores). The amount charged to the Consolidated Statement of Profit and Loss under salaries and related costs in note 26 "Employee benefits" is ₹ 26.39 crores (2014: ₹ 18.29 crores).

Refer above point no.VI for actuarial assumptions on compensated absences.

(B) Foreign entities:

(a) Defined Contribution Plan

The Group makes contribution to defined contribution retirement benefit plans under the provisions of section 401(k) of the Internal Revenue Code for USA employees, a Registered Retirement Savings Plan ("RRSP") for Canadian employees and a Group Stakeholder Pension plan ("GSPP") for UK employees and other plan in other countries. An amount of ₹ 32.72 crores (2014: ₹ 31.12 crores) is charged to Statement of Profit and Loss for the year ended 31 March, 2015.

(b) Defined Benefit Pension Plans

Pension Plan:

The Group has both a contributory and non-contributory defined benefit pension plans covering certain of its employees in Canada. The Group also has an unfunded Supplemental Employee Retirement Plan ("SERP") covering certain senior executives in Canada, closed on 13 February 2006. The plan provides for defined benefit based on years of service and final average salary.

Health and Life insurance:

The Group also assumed a post-retirement health care and life insurance plan.

The details in respect of status of funding and the amounts recognised in the Group's financial statement as at 31 March 2015 and 2014 for these defined benefit schemes are as under:

	(₹ in crores)							
	Contributory		Pension Plans Non- contributory		SERP		Health care and life insurance Plans	
	As at 31 March 2015	2014	As at 31 March 2015	2014	As at 31 March 2015	2014	As at 31 March 2015	2014
I Change in the defined benefit obligation								
Projected defined benefit obligation, beginning of the year	534.35	531.63	566.45	560.18	3.19	3.27	7.82	8.20
Current service cost	0.45	1.46	8.72	9.73	0.17	0.20	0.24	0.27
Interest cost	22.32	22.24	24.24	23.85	0.15	0.15	0.33	0.35
Curtailment loss / (gain)	-	-	-	-	-	-	(5.91)	-
Benefits paid	(32.26)	(33.52)	(23.82)	(30.51)	-	-	(0.65)	(0.74)
Actuarial (gain) / loss on obligations	45.96	3.22	78.99	(6.43)	0.86	(0.48)	0.62	(0.43)
Effect of foreign exchange rate changes*	(55.14)	9.32	(62.79)	9.63	(0.42)	0.05	(0.29)	0.17
Projected benefit obligation at the end of the year	515.68	534.35	591.79	566.45	3.95	3.19	2.16	7.82

*Translation adjustment gain includes ₹ 48.11 crores (2014: ₹ 113.90 crores) which has been taken to foreign exchange translation reserve.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	Pension Plans			
	Contributory		Non-Contributory	
	As at 31 March		As at 31 March	
	2015	2014	2015	2014
II Change in Fair Value of Assets				
Fair value of plan assets, beginning of the year	642.58	671.38	570.62	571.63
Actual return on plan assets	24.82	28.19	22.76	24.28
Contributions	0.65	-	16.18	16.09
Benefits paid	(32.26)	(33.52)	(23.82)	(30.51)
Actuarial gain / (loss)	56.33	(37.07)	55.44	(21.11)
Effect of foreign exchange rate changes*	(66.79)	13.60	(61.66)	10.24
Fair value of plan assets, end of the year	625.33	642.58	579.52	570.62

*Translation adjustment gain includes ₹ 52.26 crores (2014: ₹ 128.63 crores) which has been taken to Foreign exchange translation reserve.

	(₹ in crores)							
	Contributory		Pension Plans Non- contributory		SERP		Health care and life insurance Plans	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	2015	2014	2015	2014	2015	2014	2015	2014
III Amount recognised in the Consolidated Balance Sheet								
Present value of funded obligations	515.68	534.35	591.79	566.45	-	-	-	-
Fair value of plan assets	(625.33)	(642.58)	(579.52)	(570.62)	-	-	-	-
Present value of unfunded obligations	-	-	-	-	3.95	3.19	2.16	7.82
Net (asset)/ liability in the Consolidated Balance Sheet	(109.65)	(108.23)	12.27	(4.17)	3.95	3.19	2.16	7.82
Long-term loans and advances (refer note 16)	(109.65)	(108.23)	-	(4.17)	-	-	-	-
Long-term provisions (refer note 9)	-	-	12.27	-	3.95	3.19	2.16	7.82

During the year, the Board has approved the merger of Contributory and Non-contributory pension plans covering certain of its employees in Canada. Application for approval was made to Canadian Pension Regulatory Authority and approval for the merger is awaited. The Group do not expect any change in obligation under combined plan

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

(₹ in crores)

	As at 31 March	
	2015	2014
IV Pension expenses recognised in the Consolidated Statement of Profit and Loss		
Current service cost	9.58	11.66
Interest cost	47.04	46.59
Actual return on plan assets	(47.58)	(52.47)
Net actuarial loss / (gain) recognised	14.66	54.06
Curtailment Gain*	(5.91)	-
Effect of foreign exchange rate changes (net)	14.34	10.06
Expense recognised in the Consolidated Statement of Profit and Loss in note 26 "Employee benefits"	32.13	69.90
Contribution to provident, gratuity and other funds		

* During the year, the Group has discontinued subsidising the post-retirement life insurance and health coverage plan for eligible employees until age of 65 in Tata Communications (Canada) Limited. This programme will be maintained for current retirees and eligible employees who will retire by 31 March 2017. However, it will no longer be offered to employees who retire after March 2017. This has resulted in a reduction of the projected benefit obligation by ₹ 5.91 crores which has been credited to consolidate Statement of Profit and Loss

	Contributory		Non Contributory	
	As at 31 March 2015	2014	As at 31 March 2015	2014
V Categories of plan assets as a percentage of total plan assets				
Debt securities	90%	90%	80%	80%
Equity securities	10%	10%	20%	20%
Total	100%	100%	100%	100%

	As at 31 March	
	2015	2014
VI Principal Actuarial assumptions :		
Discount rate used for benefit costs	4.35%	4.00 %
Discount rate used for benefit obligations	3.50%	4.35%
Expected long-term return on plan assets	4.00%	4.00%
Inflation	2.00%	2.00%
Rate of compensation increase	3.00%	3.00%
Asset valuation method	Market value	Market Value

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

VII The health care cost trend rate has a significant effect on the amounts reported. The assumed health care trend rate used to determine the accumulated post-retirement benefit obligation calculated as at 31 March, 2015 is 8.00% (2014: 8.38%). A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	(₹ in crores)			
	31 March 2015		31 March 2014	
	Increase	Decrease	Increase	Decrease
Effect on service cost	0.04	0.03	0.04	0.04
Effect on interest cost	0.04	0.03	0.03	0.03
Effect on post employment benefit obligation	0.10	0.09	0.81	0.71

The Group expects to contribute ₹ 27 crores (2014: ₹ 18.62 crores) to its defined benefit plans in financial year 2015-16.

The estimate salary future increases, considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors.

VIII. Leave plan and Compensated absences

The liability for compensated absences as at the year end is ₹ 48.38 crores (2014: ₹ 46.39 crores) as shown under short term provisions. The amount charged to the Consolidated Statement of Profit and Loss under salaries and related costs in note 26 "Employee benefits" is ₹ 7.97 crores (2014: ₹ 4.75 crores).

32. Provision for Contingencies:

	As at 31 March 2015			As at 31 March 2014		
	Asset Retirement Obligation ("ARO") (refer a)	Others (refer b)	Total	Asset Retirement Obligation	Others	Total
	Opening Balance	118.05	9.00	127.05	95.18	9.00
Provision made during the year	9.48	-	9.48	13.52	-	13.52
Effect of change in foreign exchange rate	4.82	-	4.82	9.35	-	9.35
Provisions no longer required written back	(15.56)	-	(15.56)	-	-	-
Closing Balance	116.79	9.00	125.79	118.05	9.00	127.05

- a. The provision for ARO has been recorded in the books of the Group in respect of undersea cables, switches, leased equipments and certain lease premises.
- b. Others include amounts provided towards claims made by a creditor of the Group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
33. Auditors' remuneration:

(Included in other expenses under operating and other expenses – Refer note 27)

	(₹ in crores)	
	Year ended	Year ended
	31 March 2015	31 March 2014
Auditors' remuneration and expenses		
<i>(net of service tax input credit wherever applicable)</i>		
a. To statutory auditor		
i. For audit fees	2.34	1.50
ii. For taxation matters	0.33	0.51
iii. For other services	1.40	1.56
iv. For reimbursement of expenses	0.17	0.21

Auditors' remuneration excludes fees of ₹ 4.27 crores (2014: ₹ 3.90 crores) payable/paid for professional services to a firm of chartered accountants in which some partners of the firm of statutory auditors are partners.

b. To cost auditor for cost audit

i. For cost audit services	0.05	0.06
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34. Financial Statements for the following companies considered in the consolidated financial statements are based on management accounts and are unaudited:

	(₹ in crores)		
	Total Assets included in Consolidation	Total Revenues included in Consolidation	Cash flows included in Consolidation
Subsidiary			
Neotel (Pty.) Ltd.* (Consolidated)	2,738.13	2,140.25	(49.04)
SEPCO Communications (Pty) Limited	0.02	-	-
VSNL SNOSPV Pte. Limited	102.47	-	(0.25)
Joint Venture			
United Telecom Ltd. (till 4 September 2014) (Refer Note 24)	-	1.28	-

* Pending resolution of certain matters resulting from an inquiry into certain transactions undertaken by Neotel, the audit is under progress.

35. Earnings per share

	(₹ in crores)		
		As at	As at
		31 March 2015	31 March 2014
a Basic and diluted EPS – from Continuing Operations			
Profit after tax attributable to the equity shareholders	(A)	135.83	160.38
Weighted average number of equity shares	(B)	285,000,000	285,000,000
Basic and diluted earnings per share (A/B)		4.77	5.63
Face value per share (₹)		10.00	10.00
b Basic and diluted EPS – from Total Operations			
Profit after tax attributable to the equity shareholders	(A)	1.29	101.42
Weighted average number of equity shares	(B)	285,000,000	285,000,000
Basic and diluted earnings per share (A/B)		0.05	3.56
Face value per share (₹)		10.00	10.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
36. Segment Reporting
Business segments

The Group's reportable business segments are Voice Solutions (VS), Data and Managed Services (DMS), South Africa Operations (SAO) and Others.

The composition of the reportable segments is as follows:

- a. **VS** includes International and National Long Distance Voice services.
- b. **DMS** includes corporate data transmission services data centers, virtual private network, signaling and roaming services, television and other network and managed services, data center colocation services, network management and operation of White Label ATM's
- c. **SAO** are carried out by Neotel Pty Ltd. and offer wholesale international voice and data transit, enterprise business solution services for the wholesale and corporate market, telephony and data services for retail customers in South Africa
- d. **Others:** primarily comprise of a joint venture business.

	Year ended 31 March 2015				(₹ in crores)
	VS	DMS	Others	Intersegment	Total
Revenue from telecommunications services	8,868.49	9,089.86	1.95	(0.82)	17,959.48
Segment results	451.33	67.13	(1.96)	-	516.50
Finance cost					(399.93)
Unallocable income (net)					304.94
Profit before tax and exceptional item					421.51
Exceptional item gain					84.78
Profit before tax					506.29
Tax expense (net)					(370.46)
Net Profit from continuing operations (A)					135.83
Net Profit from discontinuing operations before tax					57.12
Tax expense on discontinuing operations					-
Share in Profit of associate					0.14
Net Profit from discontinuing operations after tax					57.26
Impairment of goodwill on consolidation					(190.00)
Net loss from discontinuing operations (SAO) (B)					(132.74)
Profit after tax before minority interest (A+B)					3.09
Minority interest					(1.80)
Profit for the year					1.29
Segment assets	1,378.80	14,564.55	-	-	15,943.35
Segment assets from discontinuing operation					2,622.74
Unallocable assets (including assets from discontinuing operation ₹ 397.59 crores)					5,677.57
Total Assets					24,243.66
Segment liabilities	1,466.53	7,577.71	-	-	9,044.24
Segment liabilities from discontinuing operation					657.31
Unallocable liabilities (including liabilities from discontinuing operation ₹ 2,658.93 crores)					14,214.77
Total Liabilities					23,916.32
Non-Cash Expenses	4.60	50.63	-	-	55.23

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

(₹ in crores)

	Year ended 31 March 2015				Total
	VS	DMS	Others	Intersegment	
Other Information:					
Capital expenditure (allocable)	71.61	1,900.38	-	-	1,971.99
Capital expenditure in discontinuing operation					254.26
Depreciation and amortisation (allocable)	202.68	1,735.96	1.80		1,940.44
Depreciation and amortisation in discontinuing operation					220.65

(₹ in crores)

	Year ended 31 March 2014				Total
	VS	DMS	Others	Intersegment	
Revenue from telecommunication services	9,429.99	8,279.60	8.90	(4.28)	17,714.21
Segment results	615.69	(27.66)	(7.53)	-	580.50
Finance cost					(427.47)
Unallocable income (net)					134.41
Profit before tax and exceptional item					287.44
Exceptional item gain					216.22
Profit before tax					503.66
Tax expense (net)					(343.28)
Net Profit from continuing operations (A)					160.38
Net Profit from discontinuing operations before tax					90.75
Tax expense on discontinuing operations					-
Share in profit of associate					1.69
Net Profit from discontinuing operations after tax					92.44
Impairment of goodwill on consolidation					(150.00)
Net loss from discontinuing operations (SAO) (B)					(57.56)
Profit after tax before minority interest (A+B)					102.82
Minority interest					(1.40)
Profit for the year					101.42
Segment assets	1,885.17	14,225.76	28.16		16,139.09
Segment assets from discontinuing operation					3,064.18
Unallocable assets (including assets from discontinuing operation ₹ 251.72 crores)					5,797.17
Total Assets					25,000.44
Segment liabilities	1,650.49	7,450.83	32.26		9,133.58
Segments liabilities from discontinuing operation					623.66
Unallocable liabilities (including liabilities from discontinuing operation ₹ 3,001.54 crores)					14,437.47
Total Liabilities					24,194.71
Non-Cash Expenses	8.30	42.93	2.15		53.38
Other Information:					
Capital expenditure (allocable)	70.02	1,267.13	1.35		1,338.50
Capital expenditure in discontinuing operation					519.41
Depreciation and amortisation (allocable)	218.70	1,627.72	5.48		1,851.90
Depreciation and amortisation in discontinuing operation					239.47

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- i. Revenues and interconnect charges are directly attributable to the segments. Network and transmission costs are allocated based on utilization of network capacity. Licence fees for VS and DMS have been allocated based on adjusted gross revenues from these services.
- ii. Depreciation and certain other costs, which were hitherto not allocated to segments till March 31 2014, have been allocated to segments during the current year based on various allocation parameters. Segment result is segment revenues less segment expenses. Other income and exceptional items have been considered as "Unallocable".
- iii. Further assets and liabilities including fixed assets, which were earlier not allocated to segments, have been allocated to segments on similar basis of related revenue and expense.
- iv. If the Company had continued with the earlier method the segment results for the periods would have been as under:

Segment results	(₹ in crores)	
	Year ended March 31, 2015	Year ended March 31, 2014
Voice Solutions	1,249.48	1,528.47
Data and Managed Services	5,492.10	5,010.72
Others	(2.47)	(9.95)
Total	6,739.11	6,529.24

- v. Till 2013-14, Neotel was treated as a separate segment under the head South Africa Operations (SAO). SAO has been considered as a Discontinuing Operation in the current year. Segment revenue and segment results for 2013-14 and 2014-15 in SAO is provided in Note 30 iii.

Geographical Segments

The secondary reportable segments are Geographical. The following geographic segments individually contribute 10% or more of the Group's revenues or segment assets:

	Revenue		Segment Assets*		Capital Expenditure	
	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2015	Year ended 31 March 2014
India	4,819.44	4,434.18	6,505.09	6,356.92	1,349.85	748.45
United States of America	2,857.77	2,650.37	1,596.32	1,573.79	160.98	120.96
United Kingdom	2,245.11	2,422.81	696.01	675.04	59.83	29.08
Bermuda	109.22	104.23	3,976.29	4,219.11	50.81	136.37
South Africa	220.40	245.68	2,630.19	3,068.35	254.26	519.41

*Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

37. Related party transactions

- i. **Names of related parties and nature of relationship**

Sr. No	Category of related parties	Names
a.	Investing Parties (Promoters)	Panatone Finvest Limited Tata Sons Limited
b.	Key Managerial Personnel	Mr Vinod Kumar Managing Director and Group CEO
c.	Joint Venture	United Telecom Limited (ceased w.e.f 4 September 2014)
d.	Associate	United Telecom Limited (w.e.f 4 September 2014)
e.	Associate of wholly owned subsidiary	Number Portability Company (Pty) Ltd.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)
ii. Summary of transactions with related parties

	Investing Company	Key Management Personnel	Joint Ventures / Associates	(₹ in crores) Total
Dividend paid				
Panatone Finvest Limited	39.88			39.88
	26.59			26.59
Tata Sons Limited	16.76			16.76
	11.17			11.17
Total	56.64			56.64
	37.76			37.76
Brand equity expenses				
Tata Sons Limited	14.54			14.54
	14.26			14.26
Revenue from telecommunication services				
Tata Sons Limited	2.16			2.16
	1.71			1.71
United Telecom Limited			1.63	1.63
			2.56	2.56
Total	2.16		1.63	3.79
	1.71		2.56	4.27
Network and transmission				
United Telecom Limited			6.06	6.06
			9.20	9.20
Services received				
Tata Sons Limited	0.11			0.11
	0.02			0.02
Managerial remuneration				
Vinod Kumar		12.84		12.84
		12.14		12.14

iii. Details of balances with related parties

	Investing Company	Subsidiaries	Key Management Personnel	Joint Ventures / Associates	(₹ in crores) Total
Receivables					
Tata Sons Limited	0.84				0.84
	0.77				0.77
United Telecom Limited				0.34	0.34
				0.33	0.33
Total	0.84			0.34	1.18
	0.77			0.33	1.10
Payables					
United Telecom Limited				0.28	0.28
				0.78	0.78
Tata Sons Limited	14.70				14.70
	14.24				14.24

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

	Investing Company	Subsidiaries	Key Management Personnel	Joint Ventures / Associates	(₹ in crores) Total
Vinod Kumar			6.33		6.33
			<i>6.05</i>		<i>6.05</i>
Total	14.70		6.33	0.28	21.31
	<i>14.24</i>		<i>6.05</i>	<i>0.78</i>	<i>21.07</i>

- i. Figures in italic are in respect of the previous year
- ii. The un-eliminated portion of transactions and balances with joint ventures has been disclosed for purpose of related party disclosures.

38. Operating lease arrangements
a. As lessee:

	Year ended 31 March 2015	Year ended 31 March 2014
Minimum lease payments under operating leases recognised as expense in the year	571.06	581.87

At the balance sheet date, minimum lease payments under non-cancellable operating leases fall due as follows:

	As at 31 March 2015	As at 31 March 2014
Due not later than one year	512.99	595.79
Due later than one year but not later than five years	1,437.35	1,473.53
Later than five years	840.57	786.53
	2,790.91	2,855.85

Operating lease payments represent rentals payable by the Group for certain buildings, satellite channels, office equipments, computer equipments, Automatic Teller Machines (ATM's) and ATM related equipments and certain circuit capacities.

The minimum future lease payments have not been reduced by minimum operating sublease rentals of ₹ 29.60 crores (2014: ₹ 28.55 crores) due in the future under non-cancellable subleases for certain buildings, which primarily commenced in November 2011 and extend until December 2020. ₹ 15.40 crores (2014: ₹ 4.66 crores) was recognised in the current year as minimum sublease rental against the same.

b. As lessor:

The Company has leased under operating lease arrangements certain Indefeasible Rights of Use ("IRU") with gross carrying amount and accumulated depreciation of ₹ 50.45 crores (2014: ₹ 50.45 crores) and ₹ 35.07 crores (2014: ₹ 31.71 crores) respectively as at 31 March 2015. Depreciation expense of ₹ 3.36 crores (2014: ₹ 3.36 crores) in respect of these assets has been charged in the Consolidated Statement of Profit and Loss for the year ended 31 March 2015.

In case of certain operating lease agreements aggregating ₹ 609.43 crores (2014: ₹ 530.70 crores) as at 31 March 2015, the gross block, accumulated depreciation and depreciation expense of the assets given on an IRU basis cannot be identified as these assets are not exclusively leased. The lease rentals associated with such IRU arrangements for the year ended 31 March 2015 amount to ₹ 53.85 crores (2014: ₹ 47.10 crores).

In respect of IRU arrangements, rental income of ₹ 57.80 crores (2014: ₹ 51.10 crores) has been recognised in the Statement of Profit and Loss for the year ended 31 March 2015.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

Future lease rental receipts will be recognised in the Statement of Profit and Loss of subsequent years as follows:

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
Due not later than one year	56.12	50.25
Due later than one year but not later than five years	183.43	170.40
Later than five years	214.24	206.64
	453.79	427.29

39. Finance lease arrangements:
As Lessee

As on 31 March 2015, assets under finance leases with gross carrying amount and accumulated depreciation of ₹ 134.49 crores (2014: ₹ 144.33 crores) and ₹ 111.68 crores (2014: ₹ 110.05 crores) respectively, are included in the total fixed assets. The net carrying amount of each class of asset under finance leases is as follows:

	(₹ in crores)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	As at 31 March		As at 31 March		As at 31 March	
	2015	2014	2015	2014	2015	2014
Building	48.44	54.04	28.35	29.18	20.09	24.86
Plant and Machinery	80.86	85.32	78.61	76.84	2.25	8.48
Furniture and Fixtures	5.19	4.97	4.72	4.03	0.47	0.94
	134.49	144.33	111.68	110.05	22.81	34.28

40. Contingent Liabilities and Commitments:
a. Contingent Liabilities:

	(₹ in crores)	
	As at	As at
	31 March 2015	31 March 2014
i. Claims for taxes on income (Refer 1 below)		
- Income tax disputes where department is in appeal against the Company.	626.15	401.63
- Other disputes related to income tax	2,075.54	1,876.53
ii. Claims for other taxes	52.35	12.98
iii. Other claims (Refer 2 below)	1,151.60	1,050.41
iv. Also Refer 3 and 4 below		

1. Claims for taxes on income

Significant claims by the revenue authorities in respect of income tax matters relate to disallowance of deductions claimed section 80 IA of the Income Tax Act, 1961 from assessment years 1996-97 onwards and transfer pricing adjustments carried out by revenue authorities. The Company has contested the disallowances/adjustments and has preferred appeals which are pending.

2. Other claims

i. Telecom Regulatory Authority of India ("TRAI") reduced the Access Deficit Charge ("ADC") rates effective 1 April 2007. All telecom services providers including National Long Distance ("NLD") and International Long Distance ("ILD") operators in India are bound by the TRAI regulations; accordingly the Company has recorded the cost relating to ADC at revised rates as directed by TRAI. However, BSNL continued to bill at the ADC rate applicable prior to 1 April 2007. BSNL had filed an appeal against the TRAI

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- Interconnect Usage Charges ("IUC") regulation of reduction in ADC and currently this matter is pending with the Supreme Court. The possible liability on Company is ₹ 311.84 crores (2014: ₹ 311.84 crores).
- ii. On 19 February 2013, DoT issued a licence fee demand amounting to ₹ 193.05 crores, (being ₹ 92.86 crores for financial year 2006-07 and ₹ 100.19 crores for financial year 2007-08, including ₹ 102.06 crores, being interest as on 28 February 2013) for financial years 2006-07 and 2007-08, based on special audit reports of auditors appointed by DoT. The total demand including interest is for ₹ 254.30 crores (2014: ₹ 222.79 crores). The Company has challenged the said demand notice in the Madras High Court which has vide its orders dated 1 March 2013, granted a stay-order against the said demand. Further, the Company is also contesting a licence fee claim of ₹ 144.14 crores (2014: ₹ 121.38 crores) (including interest and penalty) for financial year 2005-06. However, the said demand notice includes the items which are already the subject-matter of petitions / appeals, pending for hearing in the Supreme Court of India, for the previous years.
 - iii. In April, 2010, the Group voluntarily disclosed to the U.S. Department of Justice and the U.S. Securities and Exchange Commission the results of an internal investigation conducted by outside counsel for the Group relating to the activities of a reseller of the Group. The internal investigation found evidence that the reseller may have offered and made improper payments to officials of a government purchaser in a Southeast Asian country in connection with the resale of the Group's products. The investigation also found evidence that the Group's sales consultant in the country was aware of the reseller's potentially improper activities. Such activities may have violated the U.S. Foreign Corrupt Practices Act. The investigation did not reveal any prior involvement or knowledge regarding these activities by any officer or director of the Company or its subsidiary. The Group has taken remedial action, including terminating its relationship with the sales consultant and with the reseller. The Group cannot predict the ultimate consequences of these matters at this time, nor can we reasonably estimate the potential liability, if any, related to these matter. However, based on the facts currently known, the Group does not believe that these matters will have a material adverse effect on its business, financial condition, results of operations or cash flow.
 - iv. Other Claims of ₹ 438.73 crores (2014: ₹ 394.40 crores) pertains to the Company and its subsidiaries in various geographies being routinely party to suits for collection, commercial disputes, claims from customers and/or suppliers over reconciliation of payments for voice minutes, circuits, Internet bandwidth and/or access to the public switched telephone network, leased equipment, and claims from estates of bankrupt companies alleging that the Group received preferential payments from such companies prior to their bankruptcy filings. While management currently believes that resolving such suits and claims, individually or in aggregate, will not have a material adverse impact on the Group's financial position, the FCPA investigations noted above are subject to inherent uncertainties and management's view of this matter may change in the future. Were an unfavourable final outcome to occur, such an outcome could have a material adverse impact on the Group's financial position and results of operations for the period in which the effect becomes reasonably estimable.
3. Cumulative preference dividends amounting to ₹ 141.82 crores (2014 ₹ 111.81 crores) will be declared and paid when Neotel has distributable cash available, in terms of the Shareholder's agreement.
 4. In terms of agreements entered into in 2008-09 between the Company and NTT Docomo Inc. the Company sold to NTT Docomo Inc. of Japan (Strategic Partner – SP), 36,542,378 equity shares of Tata Teleservices Ltd ("TTSL") at ₹ 116.09 per share which resulted in a profit of ₹ 362.08 crores in the same year.

Tata Sons Limited (TSL) is party to a Shareholders Agreement with NTT Docomo Inc. of Japan (Strategic Partner – SP) dated 25 March 2009 and amended on 21 May 2010.

Under the terms of the Shareholders Agreement if certain performance parameters and other conditions are not met by TTSL by 31 March 2014 the SP has an option to divest its entire shareholdings in TTSL at a price being the higher of fair value or ₹ 58.05 per share (i.e 50 percent of the subscription price) ("Sale Price"), subject to compliance with applicable law and regulations ("Sale Option").

The Company has an "inter se" agreement with Tata Sons Limited and other Tata Group companies. Tata Sons Limited has informed the Company as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

- i. The Shareholders Agreement obliges Tata Sons Limited to find a buyer for the entire shareholding of SP shares at the Sale Price.
 - ii. If there is no buyer at the Sale Price, then Tata Sons Limited is obliged to acquire or procure the acquisition of such shares. These obligations are subject to compliance with applicable law and regulations.
 - iii. Under the terms of the "inter se" agreement, the Company may be obligated to acquire the shareholding of the SP in proportion of the number of shares sold by the company to the aggregate of the secondary shares sold to the SP.
 - iv. The SP has exercised the Sale Option on 7 July 2014.
 - v. Tata Sons have also informed the Company that the Reserve Bank of India have not permitted acquisition of the shares at the pre-determined price and have advised that the acquisition can only be made at Fair Market Value (FMV) prevailing at the time of the acquisition. The FMV determined as at 30 June 2014 is ₹ 23.34 per share. Tata Sons Limited has conveyed to Docomo its willingness to acquire the shares at ₹ 23.34 per share, however, Docomo reiterated its position that the shares be acquired at ₹ 58.05 per share.
 - vi. Docomo have initiated Arbitration in the matter.
 - vii. The liability, if any, to the extent of the difference in price sought by Docomo and the Fair Market Value is dependent upon the outcome of the Arbitration and prevailing Exchange Control Regulations.
5. The Group has taken appropriate professional advice in respect of the claims / appeals and has taken all necessary steps to protect its interest. Based on expert opinion, no provision is required in respect of these claims / appeals.
 6. Future cash flows in respect of the above matters are determinable only on receipt of judgements/ decisions pending at various forum/ authorities.

b. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amount to ₹ 891.43 crores (2014: ₹ 768.99 crores) (net of capital advances).

41. United Telecom Limited (UTL) was a joint venture between the Company, Mahanagar Telephone Nigam Limited, Telecommunications Consultant India Limited and Nepal Ventures Private Limited. However, from 4 September 2014, UTL became an associate of the Company (refer note 24).

The Group's share in income, expenses, adopted by the Group and after inter-company eliminations and adjustments based on management accounts for the period ended 4 September 2014 (date of change from Joint Venture to Associate) and year 31 March 2014 is as follows:

	<i>(₹ in crores)</i> As at 31 March 2014
I Liabilities	
(1) Non-current liabilities	-
(2) Current liabilities	
(a) Short-term borrowings	6.01
(b) Trade payables	31.70
(c) Other current liabilities	0.56
Total Current liabilities	38.27
Total liabilities	38.27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

(₹ in crores)

**As at
31 March 2014**

II Assets		
(1) Non-current assets		-
(a) Fixed Assets		
(i) Tangible assets		17.55
(ii) Intangible Asset		1.31
(iii) Capital work-in-progress		0.48
Total Fixed assets		19.34
(b) Deferred tax assets (net)		0.34
(c) Long Term Loans and Advances		0.04
(2) Current assets		
(a) Inventories - Stores and Spares		0.91
(b) Trade receivables		1.51
(c) Cash and Bank Balances		-
(d) Short-term loans and advances		6.40
Total Current assets		8.82
Total assets		28.54
	Period Ended	As at
	4 September	31 March 2014
	2014	
Income		
1. Traffic Revenue	1.28	5.55
2. Other Income	-	(0.48)
Total Income	1.28	5.07
Expenses		
3. Network cost	1.30	5.24
4. Other expenses	0.64	4.77
5. Employee benefits expense	0.01	0.02
6. Finance costs	0.15	0.65
7. Depreciation and amortisation expense	1.80	5.48
Total Expenses	3.90	16.16
<u>Contingent liabilities</u>		
(i) Claims for other Taxes	NA	2.92

Note:

Since UTL is an associate as on 31 March 2015, the Balance Sheet is not consolidated and therefore, the same is not provided.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

42. Derivative transactions

The Group uses forward exchange contracts and interest rate swaps to hedge its exposure in foreign currency and interest rates. The information on derivative instruments outstanding as at 31 March, 2015 is as follows:

a. Forward Contracts and Options

i. Outstanding forward contracts and options as on 31 March 2015

	Deal Currency	Amount (Deal Currency in millions)	Buy/Sell	Amount (₹ in crores)
Forward Exchange Contracts (net)				
EUR/USD	EUR	25.00	Sell	167.78
CAD/INR	CAD	0.70	Sell	3.44
GBP/USD	GBP	16.00	Sell	147.94
SGD/USD	SGD	1.50	Sell	6.83
ZAR/USD	ZAR	829.53	Sell	424.76

ii. Outstanding forward contracts and options as on 31 March 2014

	Deal Currency	Amount (Deal Currency in millions)	Buy/Sell	Amount (₹ in crores)
Forward Exchange Contracts (net)				
AUD/USD	AUD	1.00	Sell	5.35
EUR/USD	EUR	13.00	Sell	106.61
EUR/ZAR	EUR	0.05	Buy	0.46
GBP/INR	GBP	0.72	Sell	7.30
GBP/USD	GBP	9.00	Sell	89.09
USD/INR	USD	0.92	Sell	5.58
USD/SGD	USD	2.50	Sell	11.75
USD/ZAR	USD	1.11	Buy	7.05

b. Interest Rate Swaps ('IRS') to hedge against fluctuations in interest rate changes as at 31 March 2015

The Group uses interest rate swaps to manage the market risks associated to interest rate movements relating to its variable-rate long-term debt. As of 31 March, 2015 the Group had interest rate swaps amounting to ₹ 1,420.51 crores (USD 227.10 million) (2014: ₹ 1,702.60 crores (USD 284.24 million)) to convert the variable interest rate of its long term debt to fixed rate.

IRS of ₹ 1,420.51 crores (USD 227.10 million) ((2014: ₹ 1,702.60 crores (USD 284.24 million)) are designated as cash flow hedges. These hedges are highly effective as on 31 March 2015 and changes in its fair values are recorded in the hedge fluctuation reserve.

c. Cross Currency Swap and Coupon Only Swap

The Group uses cross currency and coupon only swaps/contracts to manage the exchange risks associated with movements in non US\$ currencies associated with long term loan liabilities, primarily SGD loan liabilities. Although these contracts are effective as hedges from an economic perspective they do not qualify for hedge accounting.

As at 31 March, 2015 the Group had open cross currency and coupon only swap contracts of SGD 622 million (2014: SGD 561 million) equivalent to ₹ 3,104.04 crores (2014: ₹ 2,699.36 crores).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

Swap Type	Deal Currency	Amount (Deal Currency in millions)	Buy/Sell	Amount (₹ in crores)	Interest rate in Deal Currency	Interest rate in United States Dollars
Buy (cross currency)	SGD	400	Buy	2014.34	4.25%	4.5210% to 4.5375%
Buy (cross currency)	SGD	61	Buy	306.60	SOR Plus 3.3%	LIBOR Plus 3.5%
Buy (cross currency)	SGD	100	Buy	497.85	SOR Plus 3.0%	LIBOR Plus 3.22%
Sell (coupon only)	SGD	61	Sell	285.25	SOR Plus 2.0%	LIBOR Plus 2.14%
		622		3,104.04		

43. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table:

Name of the Company	Net assets, i.e. total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	₹ in crores	As % of consolidated profit or loss	₹ in crores
I Parent				
Tata Communications Limited	239%	8,351.83	122%	674.59
II Subsidiaries				
Indian				
Tata Communications Payment Solutions Limited	24%	845.76	-31%	(171.64)
Tata Communications Transformation Services Limited	3%	111.77	8%	46.25
Tata Communications Data Center Private Limited	2%	56.42	1%	7.61
Foreign				
Tata Communications (UK) Limited	-15%	(516.32)	-4%	(20.04)
Tata Communications (Canada) Ltd	-29%	(1,000.47)	-32%	(178.87)
Tata Communications Services (Bermuda) Ltd	3%	96.14	68%	377.50
Tata Communications (France) SAS	1%	17.58	-3%	(18.21)
Tata Communications (America) Inc	17%	591.41	1%	4.13
Tata Communications Deutschland GmbH	0%	16.93	1%	3.80
Tata Communications (Italy) srl	1%	20.83	-1%	(5.67)
Tata Communications (Spain) SL	2%	70.21	1%	4.56
Tata Communications (Nordic) AS	0%	0.46	0%	0.08
Tata Communications (Australia) Pty Ltd	0%	10.96	0%	(1.19)
Tata Communications (Bermuda) Ltd	-58%	(2,009.78)	6%	34.96

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

Name of the Company	Net assets, i.e. total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	₹ in crores	As % of consolidated profit or loss	₹ in crores
Tata Communications (Hong Kong) Limited	0%	(11.39)	-4%	(23.03)
Tata Communications (Poland) Sp Zoo	0%	4.82	0%	0.38
Tata Communications Services (International) Pte Ltd	0%	10.60	0%	1.51
ITXC IP Holdings s.a.r.l	4%	122.99	1%	6.39
Tata Communications (Netherlands) BV	17%	605.32	8%	42.86
Tata Communications (Sweden) AB	0%	1.77	0%	(0.36)
Tata Communications (Portugal) Instalacao E Manutencao De Redes Lda	0%	(14.34)	1%	3.59
Tata Communications (Portugal) Unipessol Lda	0%	2.66	0%	(0.62)
Tata Communications (Russia) LLC	1%	20.56	0%	(1.51)
Tata Communications (Switzerland) GmbH	0%	2.58	0%	0.15
Tata Communications (Belgium) SPRL	1%	17.56	0%	(0.09)
Tata Communications (Hungary) LLC	0%	0.82	0%	-
Tata Communications (Ireland) Ltd	0%	(0.47)	0%	(0.17)
Tata Communications (Middle East) FZ-LLC	-1%	(31.28)	1%	3.99
TCPoP Communications GmbH	0%	2.79	0%	1.60
Tata Communications (Taiwan) Ltd	0%	(0.57)	0%	(0.06)
Tata Communications (New Zealand) Limited	0%	0.03	0%	(0.01)
Tata Communications (Malaysia) Sdn Bhd	0%	0.28	0%	0.36
Tata Communications (Thailand) Limited	0%	0.29	0%	(0.30)
Tata Communications (Beijing) Technology Limited	0%	(0.17)	0%	(0.31)
Tata Communications (Japan) KK	0%	12.72	0%	(1.02)
Tata Communications (Guam) LLC	2%	73.88	2%	13.99
Tata Communications International Pte Ltd	-30%	(1,041.48)	-13%	(72.07)
Neotel Business Support Services (Pty) Ltd. (Refer Note 30)	1%	22.18	1%	6.45
SEPCO Communications (Pty) Ltd. (Refer Note 30)	14%	482.79	0%	(0.02)
Neotel Pty Ltd (Refer Note 30)	-20%	(699.31)	2%	10.31
VSNL SNOSPV Pte. Ltd	-81%	(2,831.86)	-38%	(212.35)
Tata Communications Lanka Limited	2%	77.79	3%	17.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (Contd.)

Name of the Company	Net assets, i.e. total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	₹ in crores	As % of consolidated profit or loss	₹ in crores
Minority Interests in all subsidiaries				
Tata Communications Lanka Limited	0%	(5.87)	0%	(1.80)
III Associates (Investment as per the equity method)				
Foreign				
United Telecom Limited (Refer Note 24)	-	-	-	-
IV Joint Ventures (as per proportionate consolidation)				
Foreign				
United Telecom Limited (Refer note 24)	-	-	-1%	(2.11)
Total	100%	3,489.42	100%	551.58
Adjustments on Consolidation		(3,167.95)		(550.29)
Net Total		321.47		1.29

44. Previous year figures have been regrouped/rearranged wherever necessary to conform to the current year's classifications.

For and on behalf of the Board of Directors

SUBODH BHARGAVA

Chairman

PRATIBHA K. ADVANI

Chief Financial Officer

MUMBAI

DATED: 28 July 2015

VINOD KUMAR

Managing Director & Group CEO

SATISH RANADE

Company Secretary

Notes forming part of the consolidated financial statements for the year ended 31 March, 2015 (Contd.)

Statement pursuant to Sec.129 (3) of the Companies Act, 2013

PART "A": SUBSIDIARIES

Sl. No.	Name of the subsidiary company	Percentage holding	Reporting currency	Exchange Rate as on Mar 31, 2015	Share Capital	Reserves and surplus	Total Assets	Total Liabilities	Investment Details	Total Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Tata Communications Payment Solutions Limited	100.00%	INR	NA	1,222.71	(376.96)	1,131.84	286.08	-	515.67	(171.64)	-	(171.64)	-
2	Tata Communications Transformation Services Limited	100.00%	INR	NA	0.50	111.27	248.54	136.76	-	529.63	68.64	22.39	46.25	-
3	Tata Communications Data Centers Private Limited	100.00%	INR	NA	0.05	56.37	619.21	562.80	32.00	435.99	14.91	7.30	7.61	-
4	Neotel Business Support Services (Pty) Ltd.	100.00%	ZAR	5.12	0.00	22.18	52.17	29.99	-	74.19	6.85	0.88	5.97	-
5	SEPCO Communications (Pty) Ltd.	73.17%	ZAR	5.12	1,009.65	(526.86)	482.93	0.14	482.87	-	(0.02)	-	(0.02)	-
6	Neotel Pty Ltd	67.32%	ZAR	5.12	1,604.36	(2,303.67)	3,238.29	3,937.60	1.82	2,126.53	34.48	24.93	9.55	-
7	VSNL SNOsPv Pte Ltd	100.00%	USD	62.55	159.19	(2,991.04)	1,009.67	3,841.52	546.40	-	(216.95)	0.33	(217.28)	-
8	Tata Communications Lanka Limited	90.00%	USD	62.55	7.49	70.30	124.73	46.94	-	188.05	18.30	(0.09)	18.39	-
9	Tata Communications (UK) Limited	100.00%	USD	62.55	159.19	(675.51)	816.20	1,332.52	-	2,991.82	(20.51)	-	(183.02)	-
10	Tata Communications (Canada) Ltd	100.00%	USD	62.55	416.08	(1,416.55)	897.36	1,897.83	-	3,791.39	(183.02)	-	(183.02)	-
11	Tata Communications Services (Bermuda) Ltd	100.00%	USD	62.55	66.37	29.77	101.62	5.48	3.54	452.17	386.27	-	386.27	-
12	Tata Communications (France) SAS	100.00%	USD	62.55	127.55	(1,099.97)	275.88	258.30	-	308.53	(18.63)	-	(18.63)	-
13	Tata Communications (America) Inc	100.00%	USD	62.55	1,415.30	(823.89)	1,960.65	1,369.24	-	3,386.85	7.24	3.01	4.23	-
14	Tata Communications Deutschland GmbH	100.00%	USD	62.55	0.21	16.72	94.92	77.99	-	475.13	3.11	(0.78)	3.89	-
15	Tata Communications (Italy) srl	100.00%	USD	62.55	37.64	(16.81)	95.57	74.74	-	353.56	(4.19)	1.61	(5.80)	-
16	Tata Communications (Spain) SL	100.00%	USD	62.55	119.70	(49.49)	184.14	113.93	-	322.61	6.17	1.50	4.67	-
17	Tata Communications (Nordic) AS	100.00%	USD	62.55	0.10	0.36	1.51	1.05	-	6.28	0.08	-	0.08	-
18	Tata Communications (Australia) Pty Ltd	100.00%	USD	62.55	2.23	8.73	55.40	44.44	-	156.28	1.71	2.93	(1.22)	-
19	Tata Communications (Bermuda) Ltd	100.00%	USD	62.55	0.08	(2,009.86)	4,678.88	6,688.66	-	403.43	35.77	-	35.77	-
20	Tata Communications (Hong Kong) Limited	100.00%	USD	62.55	50.18	(61.57)	304.82	316.21	125.10	340.15	(23.47)	0.09	(23.56)	-
21	Tata Communications (Poland) Sp.Zoo	100.00%	USD	62.55	2.96	1.86	11.13	6.31	-	32.38	0.24	(0.15)	0.39	-
22	Tata Communications Services (International) Pte Ltd	100.00%	USD	62.55	2.16	8.44	29.81	19.21	-	30.17	1.36	(0.19)	1.55	-
23	ITXC IP Holdings s.a.r.l	100.00%	USD	62.55	0.10	122.89	123.30	0.31	-	38.66	6.55	0.01	6.54	-
24	Tata Communications (Netherlands) BV	100.00%	USD	62.55	1,124.65	(519.33)	8,441.82	7,836.50	1,688.22	2,026.03	45.48	1.62	43.86	-
25	Tata Communications (Sweden) AB	100.00%	USD	62.55	2.28	(0.51)	3.35	1.58	-	3.48	(0.08)	0.29	(0.37)	-
26	Tata Communications (Portugal) Instalacao E Manutencao De Redes Lda	100.00%	USD	62.55	379.77	(394.11)	64.24	78.58	-	33.18	3.77	0.10	3.67	-
27	Tata Communications (Portugal) Unipessoal Lda	100.00%	USD	62.55	8.72	(6.06)	2.68	0.02	-	-	(0.63)	-	(0.63)	-
28	Tata Communications (Russia) LLC	100.00%	USD	62.55	0.00	20.56	23.11	2.55	-	14.95	0.31	1.85	(1.54)	-
29	Tata Communications (Switzerland) GmbH	100.00%	USD	62.55	2.97	(0.39)	3.53	0.95	-	2.65	0.03	(0.12)	0.15	-
30	Tata Communications (Belgium) SPRL	100.00%	USD	62.55	21.87	(4.31)	18.73	1.17	-	4.21	(0.09)	-	(0.09)	-
31	Tata Communications (Hungary) LLC	100.00%	USD	62.55	1.36	(0.54)	0.97	0.15	-	1.24	0.02	0.02	0.00	-
32	Tata Communications (Ireland) Ltd	100.00%	USD	62.55	0.00	(0.47)	0.59	1.06	-	0.81	(0.17)	0.00	(0.17)	-
33	Tata Communications (Middle East) FZ-LLC	100.00%	USD	62.55	0.09	(31.37)	25.98	57.26	0.85	36.61	4.08	-	4.08	-
34	TCPOP Communications GmbH	100.00%	USD	62.55	2.50	(0.62)	4.25	1.46	-	5.17	2.26	0.62	1.64	-
35	Tata Communications (Taiwan) Ltd	100.00%	USD	62.55	0.05	(0.62)	2.75	3.32	-	6.76	(0.11)	(0.05)	(0.06)	-
36	Tata Communications (New Zealand) Limited	100.00%	USD	62.55	0.00	0.03	1.23	1.29	-	1.05	0.01	0.02	(0.01)	-
37	Tata Communications (Malaysia) Sdn Bhd	100.00%	USD	62.55	0.00	0.28	2.99	2.71	-	5.78	0.45	0.08	0.37	-
38	Tata Communications (Thailand) Limited	100.00%	USD	62.55	0.60	(0.31)	0.58	0.29	-	-	(0.31)	-	(0.31)	-
39	Tata Communications (Beijing) Technology Limited	100.00%	USD	62.55	0.15	(0.32)	0.12	0.29	-	-	(0.32)	-	(0.32)	-
40	Tata Communications (Japan) KK	100.00%	USD	62.55	22.69	(9.97)	496.87	484.15	-	158.86	(2.22)	(1.18)	(1.04)	-
41	Tata Communications (Guam) LLC	100.00%	USD	62.55	-	73.88	118.31	44.43	-	42.00	14.39	0.07	14.32	-
42	Tata Communications International Pte Ltd	100.00%	USD	62.55	886.74	(1,928.22)	3,579.29	4,620.77	1,315.46	895.31	(72.96)	0.78	(73.74)	-

PART "B": JOINT VENTURE

Sl. No.	Name of the Joint Venture	Latest Audited Balance Sheet Date	Percentage holding	Reporting currency	Description of how there is significant influence	Number of shares held	Amount of Investment (₹ in crores)	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in crores)	Profit/(Loss) for the year considered in consolidation (₹ in crores)	Profit/(Loss) for the year not considered in consolidation (₹ in crores)
1	United Telecom Limited	16 July, 2014	22.05%	NPR	Shareholding more than 20%	5,731,900.00	35.82	2.96	-	(7.55)

Refer Note 24 of Financial statement

MR. SUBODH BHARGAVA**CHAIRMAN**

Mr. Subodh Bhargava is a Mechanical Engineer from IIT (Roorkee). He has been the Group Chairman and Chief Executive Officer of Eicher Group of Companies. He is a Former President of the Confederation of Indian Industries (CII), President of the Association of Indian Automobile Manufacturers and Vice President of the Tractor Manufacturers Association. He has been associated with various Central and State Government bodies and committees including as a member of the Technology Development Board, Insurance Tariff Advisory Committee and the Economic Development Board of the State of Rajasthan, Himachal Pradesh and Madhya Pradesh. He has been closely associated with various IIMs, IITs and other Management and Technical Institutions as also with a number of NGOs. He is presently a Member of the Board of Governors of IIM, Kashipur, & XLRI Jamshedpur.

He is currently the Chairman of Tata Communications Limited, TRF Limited, GlaxoSmithKline Healthcare Limited, and Director on the Boards of several companies including Tata Motors Ltd, Tata Steel Ltd., Larsen & Toubro Ltd, Tata Communications International Pte. Ltd., SunBorne Energy LLC. Mr. Bhargava, is the recipient of the 1st Distinguished Alumnus Award in 2005 by IIT, Roorkee; the "Gaurav Shri Award" from Agra University in 2011; "Best Independent Director 2011" by Asian Center for Corporate Governance & Sustainability and "Global India Business Leader of the Year-2013" by Horasis (The Global Visions Community) for excellence in entrepreneurship, innovation and leadership.

MR. VINOD KUMAR**MANAGING DIRECTOR & GROUP CEO**

Mr. Vinod Kumar is Managing Director of Tata Communications Limited and CEO of Tata Communications Group, part of the USD \$96.79 billion Tata group of companies.

Mr. Vinod Kumar joined Tata Communications in April 2004, just when the company was embarking on its international growth. He was closely associated with the acquisitions of TGN and Teleglobe and assumed responsibility as Managing Director of the company's international operations. Subsequently, he was promoted to Chief Operating Officer, whilst managing the Global Data Business Unit as well as the Engineering and Operations functions. Mr. Vinod Kumar was also appointed as a non-executive director on the Board of Tata Communications Limited in February 2007. In February 2011, Mr. Vinod Kumar was appointed as the Managing Director and Group CEO of Tata Communications Limited.

Mr. Vinod Kumar has been at the forefront of Tata Communications' transformation from a traditional connectivity services provider, largely in India, to a truly global services provider – offering a broad range of managed communication and collaboration services as well as IT infrastructure services, successfully transforming Tata Communications into a truly global organisation that delivers a new world of communications to its customers.

With over 20 years of experience in the global telecom industry, Mr. Vinod Kumar has an impressive track record in developing business strategies and creating fast growth organisations across the world.

Prior to Tata Communications, he was Senior Vice President of Asia Netcom, responsible for generating top-line growth including strategy formulation, product marketing and sales. He was actively involved in the financial restructuring and eventual asset sale of Asia Global Crossing to China Netcom, resulting in the formation of Asia Netcom.

In 1999, Mr. Vinod Kumar joined World Com Japan as Chief Executive Officer. Prior to this, he held various senior positions in Global One in the United States and Asia where he has had major responsibilities in market management, sales, marketing product management, multinational account management and operations.

Mr. Vinod Kumar is Director of the Singapore Economic Development Board (EDB), the lead government agency

responsible for planning and executing strategies to enhance Singapore's position as a global business centre and grow the Singapore economy. He is also the Chairman of its Finance Committee. Mr. Vinod Kumar is a member of the Singapore Ministry of Communications and Information Steering Committee and Chairman of the Ministry of Communications and Information Working Committee; Director of Human Capital Leadership Institute (HCLI) in Singapore and the National Arts Council (NAC) as well as a member of the NAC Human Resource Committee and Strategic Review Committee.

Mr. Vinod Kumar was born in 1965 and graduated with honours in Electrical and Electronic Engineering from the Birla Institute of Technology and Science in India.

MR. SRINATH NARASIMHAN

DIRECTOR

Mr. Srinath Narasimhan is the Managing Director of Tata Teleservices Limited and Tata Teleservices (Maharashtra) limited.

With over 25 years of experience within the Tata Group, Mr. Srinath has held various leadership positions across Tata companies in high-technology areas such as Process Automation and Control, Information Technology and Telecommunications.

Prior to joining Tata Teleservices, Mr. Srinath was the Managing Director and CEO of Tata Communications (erstwhile VSNL). Under his leadership, Tata Communications has transformed from a monopoly, public sector undertaking into a global communications services provider offering advanced network, managed and cloud services to customers worldwide.

Mr. Srinath has received several recognitions in the telecom industry. For a period of two consecutive years (2008 and 2009), he was named as the world's eighth most influential telecom personality by the Global Telecoms Business magazine as well as the 'Telecom Person of the Year' by the India-based Voice and Data magazine in 2008. Srinath was named the 'Telecom CEO of the Year' in Asia by the leading publishing group Telecom Asia in 2006. In the same year he was also conferred the Udyog Rattan Award by the Institute of Economic Studies (IES).

Mr. Srinath has also served the role of Chief Executive Officer of Tata Internet Services in late 2000 and Chief Operating Officer at Tata Teleservices Limited in 1999. In the early part of his career, he was Executive Assistant to the Chairman of Tata Industries, a position he held until 1992. He was part of the team that set up Tata Information Systems (later known as Tata IBM) and where, between 1992 and 1998, he worked on a number of assignments in sales and marketing.

In addition to being Managing Director of Tata Teleservices Limited and Tata Teleservices (Maharashtra) limited, Mr. Srinath also serves as a Director on the Board of Tata Business Support Services (TBSS), Honeywell Automation India Limited, Viom Networks and the GSM Association. He is also, the Non Executive Chairman of Neotel (P) Ltd, a telecommunications network operator in South Africa.

Mr. Srinath holds a degree in Mechanical Engineering from the Indian Institute of Technology, Chennai and an MBA from the Indian Institute of Management, Kolkata, specializing in marketing and systems.

MR. KISHOR CHAUKAR

DIRECTOR

Kishor Chaukar retired in August 2012, as the Managing Director of Tata Industries Limited (TIL). TIL acts as the new projects-promotion arm of the Group, and spearheads the entry of the Group in the emerging high-tech and sunrise sectors of the economy.

While at TIL, Mr. Chaukar was a member of the Group Corporate Centre, which is engaged in strategy formation at the House of Tata. Mr. Chaukar also chaired for several years the Tata Council for Community Initiatives (TCCI). He also was a member of the Board and Advisory Board of some national and international organisations in the Corporate Sustainability and Human Rights space.

Mr. Chaukar is a director of several Tata Companies and the Chairman of Tata Teleservices (Maharashtra) Limited. Mr. Chaukar is a Trustee of BAIF Development Research Foundation, an NGO engaged in extending relevant technology into rural India for generating economically remunerative employment.

Before joining Tatas, Mr. Chaukar was the Managing Director of ICICI Securities & Finance Company Limited (July 1993 to October 1998), and a member of the Board of Directors of ICICI Limited from February 1995 to October 1998). During 1975-85, he served as an Executive Secretary of Bharatiya Agro Industries Foundation,

He is a graduate in Economics from Karnataka University and holds Post-Graduate Diploma in Management from the Indian Institute of Management,

Ahmedabad. He also holds a DEA in Rural Economics from the University of Dijon, France.

DR. ASHOK JHUNJHUNWALA

DIRECTOR

Ashok Jhunjunwala is Professor in the Department of Electrical Engineering, Indian Institute of Technology, Madras at Chennai, India. After his BTech, he got his MS and PhD from the University of Maine. From 1979 to 1981, he was with Washington State University as Assistant Professor. Since 1981, he has been teaching at IIT Madras.

Dr. Jhunjunwala is considered the pioneer in nurturing Industry-Academia interaction in India towards R&D, Innovation and Product Development. He conceived and built the first Research Park (IIT Madras Research Park) in India which houses over 100 R&D companies in its 1.2 million square feet built-up area. TIE conferred him the title of Dronacharya for his contributions to the cause of entrepreneurship, as he incubated and nurtured over 100 companies at IIT Madras. He heads the IITM Incubation Cell and Rural Technology and Business Incubator (RTBI). He leads the Telecommunications and Computer Networks group (TeNeT), which has worked closely with industry in the development of a number of products for Indian telecom, banking and power industries.

One of his key focus over the last two decades has been to drive telecom R&D. As a developer of the first Wireless in Local Loop (CoRDECT WLL) product in India, he recognises that in the absence of adequate wire-line infrastructure, India would need to deliver higher and higher bit rate per Hz of available spectrum, but with lower and lower power per bit. 4G and 5G wireless technologies are focused towards this. The R&D tasks in India are to contribute to new fundamental ideas and acquire enough IPR in the area and drive international standards. The first objective would be to get India as a net-royalty inflow nation. At the same time, there has to be a focus on driving telecom design and manufacturing in India, so that its net-imports in telecom goes to zero. Simultaneously, he has been working on using telecom and ICT to make a difference to lives of people in India, especially for its rural people. Using ICT to drive health-care, education, agriculture, livelihood and financial inclusion has been the focus of his work. He was the founder chairman of Mobile Payment Forum of India, which enabled mobile payments in India.

Having made a mark in telecom, over the last couple of years he has focused on power and has come up with innovation to ensure that all homes in India get 24 x 7 power even in situation of extreme power-shortage. Using his solar-DC innovation, he is focused on decentralised solar power and believes that by 2030, India should get 50% of its peak power from solar. As a chairman of Technology Advisory Group for Electric Mobility, he believes that 50% of vehicles in 2030 could have electric traction.

He is keen to drive quality into Science and Engineering Higher Education. As a member of Kakodkar committee on IITs and NITs, he has driven that IITs should become primarily research institutions in future, while NITs should become the institutions with highest quality UG education. As a chair of a MHRD committee on "Quality Enhancement in Engineering Education," and a member of review committee of AICTE, he is targeting both public and private engineering colleges to significantly improve the quality of their education. He believes that ICT can be an important tool to enable this, though strengthening of local faculty is equally important.

As a chairman of a Committee of SAC-PM on water, he has come up with a comprehensive report on different ways that water-shortage, quality and pollution is affecting India and has come up with R&D, Implementation and Policy tasks that India has to undertake to overcome the problems.

Dr. Jhunjhunwala has been Chairman and member of various government committees and has been on boards of several education institutions in the country. At the same time, he has been on the boards of a number of public and private companies and has driven comprehensive changes, especially in the area of technology, in the companies. He was a Director on the board of State Bank of India, Bharat Electronics, HTL, NRDC, IDRBT, VSNL and BSNL. Currently he is a board member Tata Communications, Mahindra Rewa, Polaris, Sasken, Tejas Networks, TTML, Intellect and Exicom. He is currently also on the board of BIRAC and Chairman of Technology Advisory Group of SEBI.

Dr. Jhunjhunwala was conferred Padma Shri, Shanti-swarup Bhatnagar Award, Vikram Sarabhai Research Award, H. K. Firodia Award, Silicon India Leadership Award, Millenium Medal at Indian Science Congress, UGC Hari Om Ashram Award, IETE's Ram LalaWadhwa Gold Medal, JC Bose fellowship, Bernard Low Humanitarian Award and many others. He is fellow of IEEE, INSA, NAS, IAS, INAE and WWRF. He has also been conferred honorary doctorate by University of Maine and Blekinge Institute of Technology, Sweden.

DR. UDAY B. DESAI

DIRECTOR

Dr. Uday B. Desai received the B. Tech. degree from Indian Institute of Technology, Kanpur, India, in 1974, the M.S. degree from the State University of New York, Buffalo, in 1976, and the Ph.D. degree from The Johns Hopkins University, Baltimore, U.S.A., in 1979, all in Electrical Engineering.

Since June 2009 he is the Director of IIT Hyderabad. From 1979 to 1984 he was an Assistant Professor in the School of Electrical Engineering and Computer Science Department at Washington State University, Pullman, WA, U.S.A., and an Associate Professor at the same place from 1984 to 1987. From 1987 to May 2009 he was a Professor in the Electrical Engineering Department at the Indian Institute of Technology - Bombay. He was Dean of Students at IIT-Bombay from August 2000 to July 2002. He has held Visiting Associate Professor's position at Arizona State University, Purdue University, and Stanford University. He was a visiting Professor at EPFL, Lausanne during the summer of 2002. From July 2002 to June 2004 he was the Director of HP-IITM R and D Lab. at IIT-Madras.

Dr. Desai's research interest is in wireless communication, cyber physical systems, IoT, and statistical signal processing. He is also interested in multimedia, image and video processing, artificial neural networks, computer vision, and wavelet analysis.

Dr. Desai is the Editor of the book "Modeling and Applications of Stochastic Processes" (Kluwer Academic Press, Boston, U.S.A. 1986) and co-editor of Second Asian Applied Computing Conference, Springer Verlag (2004). He is also a co-author of four research monographs.

Dr. Desai is a senior member of IEEE, a Fellow of INSA (Indian National Science Academy), Fellow of Indian National Academy of Engineering (INAE), and a Fellow of The Institution of Electronic & Telecommunication Engineers (IETE). He

is the recipient of J C Bose Fellowship. He is also the recipient of the Excellence in Teaching Award from IIT-Bombay for 2007. He is chair of the working group on Convergence Communication and Broadband Technologies of Department of Electronics and Information Technology, Ministry of Communication and Information Technology. He is on the governing council and boards of several academic institutions. . He is one of the founding members of COMSNETS and also Society for Cancer Research and Communication. He was the Chair for IEEE Bombay Section 2006-2008. He was also on the Visitation Panel for University of Ghana.

MR. AJAY KUMAR MITTAL**DIRECTOR**

Mr. A. K. Mittal did his Graduation in Engineering in Electronics and Communications in 1976 from the University of Roorkee (now one of the Indian Institutes of Technology). He also holds a Diploma in Management. After working in the R&D wing of Indian Telephone Industries Ltd. for about two and a half years, he joined Indian Telecom Service in the erstwhile Posts & Telegraphs Department (now Department of Telecommunications) in February 1979, and was posted as Assistant Divisional Engineer- Telecom. In 1981, he was given charge of setting up the ground segment of New Delhi Satellite Earth Station located at Sikandrabad (U.P) for INSAT – 1 series of satellites where he commissioned and then operated SCPC, FDM-FDMA Systems for voice communication as well as TV up linking, Radio up linking, meteorological data up linking and reception systems etc. He also set up the Network Operations Control Centre (NOCC) for INSAT. Later he was involved in setting up earth stations in remote and hilly areas of some states. As Assistant Director General(Satellite Planning) in the Department of Telecommunication Headquarter in 1987, he was involved in planning of satellite communication systems. Thereafter, as Director Telecommunications, he was responsible for operations and maintenance of a large Optical Fiber, Microwave, Coaxial and Satellite Communication Network in the State of U.P.

In 1991, as Director in the Headquarter of Department of Telecom, he handled regulation and tariffing of telecommunications services. He was responsible for activities relating to opening up of telecom sector for competition 1991 onwards. This included invitation of bids for basic services, mobile services, radio paging services etc. He remained in this position for over 6 years. Subsequently, from 1998 onwards, as General Manager in U.P. (West) Circle of Department of Telecommunications, he headed the Operations and Maintenance Wing, responsible for making policies in respect of operations of all types of services and ensuring that services are maintained as per desired Q.o.S.

Mr. Mittal was deputed to the Headquarters of BSNL, a public sector unit under Ministry of Communications, as Deputy Director General (Network Management) in the year 2000 where for a period of about 7 years; he was in-charge of management of BSNL's international and national long distance switching and transmission network. During this period, he set up Network Management Systems, overlay managed signaling network, KU Band VSAT Network and country-wide Managed Leased Line Network. He was also a member of the core team responsible for planning and implementation of Indo-Srilanka Submarine Cable System. Later, for a period of over two years, while on deputation to BSNL, he worked as General Manager (Mobile Network Planning and Operations) in J&K State.

He worked as Senior Deputy Director General in DoT headquarters where he looked after policy on licensing of Access Services and related matters as well as implementation of telecom security related policies.

Currently, he is posted as Senior Deputy Director General and Head of Telecom Engineering Centre New Delhi, which is an arm of DoT responsible for setting national standards in tecom and certification of telecom equipment. He is also the Head of National Telecom Institute of Policy Research, Innovation and Training..

MR. SAURABH KUMAR TIWARI**DIRECTOR**

Mr. Saurabh K Tiwari, born in 1967, holds a Master's degree in Political Science with a Certificate of Merit from the University of Allahabad. He completed his MBA with specialisation in Finance from National Institute of Financial Management, an autonomous body under Ministry of Finance, Govt. of India. He has recently completed LLB from the Delhi University. Besides being a Fellow of the University Grants Commission, he has taught Political Philosophy in the Post Graduate Classes of the University of Allahabad for two years.

After clearing the Civil Services Examination in 1993, he joined the Indian P&T Accounts and Finance Service. He has wide ranging work experience in the Government of India and PSUs. He was the Deputy General Manager (Finance) of Central Area of MTNL, Delhi which provides service to the elite of India including the President, Prime Minister, Union Council of Ministers, Embassies, High Commissions and the Central Business District. He has also served as the Financial Advisor to various units of the Indian Air Force including the Central Air Command, Bamrauli.

He was instrumental in designing and implementing the software for the revision of pension of more than two million Defence Pensioners, spread throughout the country, in accordance with the recommendations of the Sixth Pay Commission. His assignment as Deputy Director General (Licensing Finance), Department of Telecom, Govt. of India involved assessment of revenue to the tune of Rupees Two Lakh crore annually resulting in collection of Rs. 181 thousand crores (approx.), annually resulting in collection of Rs, 11,300 crores (approx) in the form of licence fee – one of the largest contributors to the non-tax revenue of the Union Government. Mr Tiwari's current assignment is as Deputy Director General (FEB), Department of Telecom, Govt. of India wherein he is responsible for Human Resource Management and Financial Management in the Department of Telecom. He is also a Technical Advisor to Government Accounting Standards Advisory Board. Besides, he is also the Chairman cum Managing Director (CMD) of M/s Hemisphere Properties India Limited, a PSU of Government of India.

He has attended various trainings and seminars in India and abroad. Besides, he has been a regular faculty in various Training Institutes. Mr. Tiwari has exemplary leadership qualities. He was the General Secretary of the Indian P&T Accounts and Finance Service Officers' Association for almost a decade. An avid sportsperson, he has won various awards in games like Athletics, Volleyball, Football, Badminton, Cricket and Tennis.

MR. BHARAT VASANI**DIRECTOR**

Mr. Bharat Vasani is a renowned Corporate Lawyer in India with international reputation. Presently, he is the General Counsel for the Tata Group, a position which he has held since December 2000.

Mr. Vasani has over 3 decades of experience at a senior management level in successfully managing the in-house legal departments of large corporations with international operations. He is reputed for having the most diverse corporate legal experience, ranging from complex Mergers and Acquisitions to handling high-profile litigations, both civil and criminal.

Mr. Vasani has won several awards, including the IFLR Award 2010 for his outstanding achievements and the Legal Era Award for the Best General Counsel of the Year 2011.

MS. RENUKA RAMNATH**DIRECTOR**

Ms. Renuka Ramnath is one of the most experienced private equity fund managers in India with a full cycle track record of investing capital raised from Institutions of global repute. She played a pivotal role in shaping the Indian private equity market both in terms of leading pioneering investments as well as opening new pockets of capital for investment into India.

For close to three decades in financial services, Ms. Ramnath successfully built several businesses in the ICICI Group including Investment Banking, e-commerce and private equity. As the MD & CEO of ICICI Venture for close to a decade, she led that firm to become one of the largest private equity funds in India.

Ms. Ramnath turned an entrepreneur to set-up Multiples in 2009. Multiples is a \$ 800 million Independent private equity fund that has the rare distinction of been backed by 15 Indian and global institutions. Ms. Ramnath draws immense satisfaction from the fact that she has over several years guided and supported entrepreneurs to build successful businesses and create valuable enterprises.

Given Ms. Ramnath's contribution to the industry, she has been featured in many prestigious listings, including the Top 25 Most Powerful Women in Business (Business Today, India); India's most Powerful CEO's (Economic Times), the Top 25 Non Bank Women in Finance (US Banker's global list), Asia's Women in the Mix: The Year's Top 50 for Achievement in Business (Forbes), #17 in India's Most Powerful Women in Business – 2014 (Fortune), and the Top 25 women in Asian asset management (Asian Investor).

Ms. Ramnath holds a Bachelor of Engineering from VJTI, University of Mumbai and an MBA from the University of Mumbai. She has also completed the Advance Management Programme from the Harvard Business School.

DR. GOPICHAND KATRAGADDA**DIRECTOR**

Dr. Gopichand Katragadda is the Group Chief Technology Officer for Tata Sons. In this role, Dr. Katragadda drives technology and innovation for the Tata conglomerate leveraging cross-company synergies. He is a director on the boards of select Tata Companies.

Previously, as the Chairman and Managing Director of GE India Technology Centre, Dr. Katragadda facilitated funding of cross-business innovation, championed the commissioning of new research labs, developed research teams, and helped build GE's largest R&D Centre – the John F. Welch Technology Centre (JFWTC). Under his leadership, the JFWTC team was contributing to over 300 US patents a year. Dr. Katragadda also served as the chairman for GE-BEL.

Before joining GE, Dr. Katragadda worked with Karta Technologies, San Antonio, Texas, as Vice President of Research and Development. At Karta, Dr. Katragadda led the development of advanced sensor technology for US government agencies and research consortiums. He also was an Adjunct Professor at the University of Texas and served on the Board of Directors for Texas Public Radio.

Dr. Katragadda provides the voice of technology for various Industry bodies in India including CII and NASSCOM. He is the India Chair for the Technology track of the Indo-UK Joint Economic and Trade Committee, which facilitates the Government to Government negotiations on market liberalization. Dr. Katragadda chairs the India Development Panel and is a Fellow of the Institute of Engineering and Technology. He is on the India Council for the Anita Borg Institute. He is a GE Certified Six Sigma Master Black Belt. Dr. Katragadda has over 30 publications and 5 patents. He has authored a book on innovation "SMASH," published by Wiley.

Dr. Katragadda holds MS and PhD degrees in Electrical Engineering from Iowa State University, Ames, Iowa.

TATA COMMUNICATIONS LIMITED

Corporate Identification No.(CIN) – L64200MH1986PLC039266

Registered Office: VSB, Mahatma Gandhi Road, Fort, Mumbai - 400 001.

Tel : +91 22 6657 8765, Fax : +91 22 6639 5162, Email : help@tatacommunications.com, Website : www.tatacommunications.com



ATTENDANCE SLIP

(To be presented at the entrance)

29TH ANNUAL GENERAL MEETING ON TUESDAY, 29 SEPTEMBER 2015 AT 11.00 A.M.

at NSE Auditorium, Ground Floor, The National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of the Proxyholder _____ Signature _____

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.



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PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No./Client ID No. : DP ID No.

I/We, being the member(s) holding Shares of **Tata Communications Limited**, hereby appoint

1. Name : E-mail ID :

Address : Signature :

or failing him

2. Name : E-mail ID :

Address : Signature :

or failing him

3. Name : E-mail ID :

Address : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Eighth Annual General Meeting of the Company to be held on Tuesday, 29 September 2015 at 11.00 a.m. at NSE Auditorium, Ground Floor, The National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt :
 - a) the audited Standalone Financial Statements of the Company for the financial year ended 31 March 2015, the Report of the Board of Directors and the Auditors' Report there on; and
 - b) the audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2015 and the Auditors' Report thereon
2. Declare dividend for the financial year 2014-15.
3. Re-appointment of Dr. Ashok Jhunjunwala as a Director
4. Re-appointment of Mr. N. Srinath as a Director
5. Ratification of Appointment of Statutory Auditors
6. Appointment of Ms. Renuka Ramnath as an independent Director
7. Appointment of Dr. Gopichand Katragadda as a Director liable to retire by rotation.
8. Ratification of Cost Auditors' remuneration.
9. Authorisation u/s 197 of the Companies Act 2013 for payment of remuneration for five years from 1 April 2015

Signed this day of 2015

Signature of shareholder.....

Signature of Proxyholder(s).....

Affix
Revenue
Stamp



India

Tata Communications Limited
Plots C21 and C36
Block G, Bandra Kurla Complex
Bandra (East)
Mumbai 400 098

Singapore

Tata Communications
International Pte. Ltd.
Tata Communications Exchange
35 Tai Seng Street, #06-01
Singapore 534103
Registration Number: 20040025G

Hong Kong

Tata Communications
(Hong Kong) Limited
Room 3702, The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

United Kingdom

Tata Communications
(UK) Limited
Vintners Place
68 Upper Thames Street
London EC4V 3BJ
United Kingdom

Germany

Tata Communications
Deutschland GmbH
Bettinastraße 30
60325 Frankfurt

Tata Communications
Deutschland GmbH
Domicile: Frankfurt am Main
Registry Court:
AG Frankfurt am Main

Commercial
Register number: HRB 54483
Bettinastr. 30, 60325
Frankfurt am Main

France

Tata Communications
(France) SAS
131 Avenue Charles de Gaulle
92200 Neuilly sur Seine
France

Canada

Tata Communications
(Canada) Limited
1441 Rue Carrie-Derick
Montreal, Quebec H3C 6W2

United States

Tata Communications
(America) Inc.
2355 Dulles Corner Boulevard,
Suite 700
Herndon, VA 20171

A New World of
Communications™

www.tatacommunications.com

Tata Communications Limited

VSB, Mahatma Gandhi Road,
Fort Mumbai, 400 001
India

About Tata Communications

Tata Communications Limited (CIN no: L64200MH1986PLC039266) along with its subsidiaries (Tata Communications) is a leading global provider of A New World of Communications™. With a leadership position in emerging markets, Tata Communications leverages its advanced solutions capabilities and domain expertise across its global and pan-India network to deliver managed solutions to multi-national enterprises, service providers and Indian consumers.

The Tata Communications global network includes one of the most advanced and largest submarine cable networks and a Tier-1 IP network with connectivity to over 240 countries and territories across 400 PoPs, as well as nearly 1 million square feet of data centre and collocation space worldwide.

Tata Communications' depth and breadth of reach in emerging markets includes leadership in Indian enterprise data services and leadership in global international voice.

Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

www.tatacommunications.com |  [@tata_comm](https://twitter.com/tata_comm)
<http://tatacommunications-newworld.com> | www.youtube.com/tatacomms

TATA COMMUNICATIONS LIMITED

Registered Office: VSB, Mahatma Gandhi Road, Fort, Mumbai - 400001

Phone No: 022 6657 8765; Fax No: 022 67251962

CIN: L64200MH1986PLC039266 Website: www.tatacommunications.com



BALLOT FORM

1. Name(s) & Registered Address :
of the Sole / First named Member

2. Name(s) of the Joint holder(s), if any :

3. Registered Folio Number / DP ID No. / :
Client ID No. * (*Applicable to investors
holding shares in dematerialised form)

4. Number of Ordinary Share(s) held :

5. EVEN (E-voting Event Number) :

6. User-ID :

7. Password :

I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the Twenty Ninth Annual General Meeting (AGM) of the Company to be held on Tuesday, 29 September, 2015 by sending my/our assent or dissent to the said Resolutions by placing the tick (v) mark at the appropriate box below:

Item No.	Description of Resolution	No. of Ordinary Shares for which votes cast	(FOR)	(AGAINST)
			I/We assent to the Resolutions	I/We dissent to the Resolutions
ORDINARY BUSINESS				
1.	To receive, consider and adopt : a. the audited Standalone Financial Statements of the Company for the financial year ended 31 March 2015, the Report of the Board of Directors and the Auditors' Report there on; and b. the audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2015 and the Auditors' Report thereon			
2.	Declare dividend for the financial year 2014-15.			
3.	Re-appointment of Dr. Ashok Jhunjunwala as a Director			
4.	Re-appointment of Mr. N. Srinath as a Director			
5.	Ratification of Appointment of Statutory Auditors			
SPECIAL BUSINESS				
6.	Appointment of Ms. Renuka Ramnath as an independent Director			
7.	Appointment of Dr. Gopichand Katragadda as a Director liable to retire by rotation.			
8.	Ratification of Cost Auditors' remuneration.			
9.	Authorisation u/s 197 of the Companies Act 2013 for payment of remuneration for five years from 1 April 2015			

Place :

Date :

Signature of the Member

Notes: Please read the instructions printed below carefully before exercising your vote.

INSTRUCTIONS

- 1) This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
- 2) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member cast votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- 3) For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
- 4) The scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.

Process and manner for Members opting to vote by using the Ballot Form

- 1) Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Mehul Shah, Advocate, Khaitan & Co., at Sharepro Services (India) Private Limited, Mr. Mehul Shah (Scrutinizer), (Unit : Tata Communications Limited) 912, Raheja Centre, Free Press Journal Road Nariman Point, Mumbai - 400 021.
- 2) The Form should be signed by the Member as per the specimen signature registered with the Company/ Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
- 3) In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
- 4) Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
- 5) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on Friday, 21 August 2015 as per the Register of Members of the Company.
- 6) Duly completed Ballot Form should reach the Scrutinizer not later than Saturday, 26 September 2015 (5:00 p.m. IST). Ballot Form received after (5:00 pm) on 26 September 2015 will be strictly treated as if the reply from the Members has not been received.
- 7) A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. 6 above.
- 8) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 9) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
- 10) The results declared along with Scrutinizer's Report, shall be placed on the Company's website www.tatacommunications.com and on the website of the National Securities Depository Limited within two days of the passing of the Resolutions at the AGM of the Company on Tuesday, 29 September 2015, and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

FORM B
 Format of covering letter of the annual audit report to be filed with the stock exchanges

Name of the Company:	Tata Communications Limited ("the Company")
Consolidated financial statements for the year ended:	31st March, 2015
Type of Audit qualification:	<p>Basis of Qualified Opinion As referred to in note 34 to the consolidated financial statements, the consolidated financial statements include the unaudited consolidated financial information of a subsidiary and its Group consisting its subsidiary and an associate, pending resolution of certain matters resulting from an inquiry into certain transactions undertaken by such subsidiary. Accordingly, the unaudited consolidated financial information consisting of such subsidiary and its Group reflect total assets of Rs. 2,738.13 crores as at March 31, 2015, total revenues of Rs. 2,140.25 crores and net cash outflows amounting to Rs. 49.04 crores for the year then ended, as considered in the consolidated financial statements, based on their unaudited consolidated financial information. These unaudited consolidated financial information have been furnished by the Management and our opinion, in so far as it relates to the amounts included in respect of such subsidiary and its Group is based solely on such unaudited consolidated financial information and consequently we are unable to determine whether any adjustment might be necessary to the consolidated financial statements.</p> <p>Qualified Opinion In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entity as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.</p>
Frequency of qualification	First time

Not

R.L.

Draw attention to relevant notes in the consolidated financial statements and management response to the qualification in the directors report:

Relevant note in the consolidated financial statements

Note 34 to the consolidated financial statements

(₹ in crores)

Subsidiary	Total Assets Included In Consolidation	Total Revenues included in Consolidation	Cash flows included in Consolidation
Neotel (Pty.) Ltd.* (Consolidated)	2,738.13	2,140.25	(49.04)

*Pending resolution of certain matters resulting from an inquiry into certain transactions undertaken by Neotel, the audit is under progress.

Management response to the qualification in the Directors' report

One of the Company's foreign subsidiaries, Neotel (Pty) Ltd., and its associated companies, has been unable to finalise their audited accounts. The issue at Neotel involves potential reportable irregularities identified by its statutory auditors in respect of a particular third party Intermediary engaged by Neotel during the third quarter of FY 2014-15 in connection with a customer contract. Upon learning of the auditor's concern, the Board of Neotel appointed an independent firm to investigate the matter.

The Company has since been advised by the Neotel Board that to the best of their knowledge, based on the investigation, there has been no finding of corruption or illegal activities undertaken by employees of Neotel, with the exception of misconduct by one of its employees, who is no longer with Neotel. Pursuant to its obligations under the laws of South Africa, the matter has been referred to the appropriate authorities in South Africa. Neotel continues to work with its auditors to resolve the outstanding issues, and hopes to be in a position to approve its audited financial statements soon.

Based on the current facts, the Company believes that these matters will not have a material adverse effect on its business, financial condition, results of operations or cash flow of the Company. Therefore, the Company finalised its annual accounts using the management accounts for Neotel.

Consequently, the Company was not able to file its annual accounts with the stock exchanges within the stipulated time. In compliance with the SEBI Circular No.CIR/MRD/DSA/31/2013 dated 30 September 2013, the Company has paid the specified fines imposed by the stock exchanges for the delay in filing of annual accounts with the stock exchanges.

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Additional comments from the board/audit committee chair:	None
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Refer our Audit Report dated 28th July, 2015 on the consolidated financial statements of the Company

For S.B.BILLIMORIA & CO.
Chartered Accountants
(Firm's Registration No.101496W)

R. K. Banga

R. A. Banga
Partner
Membership No 037915

Mumbai, 4th Sept. 2015

For Tata Communications Limited

Vinod Kumar
Vinod Kumar
CEO & Managing Director

Pratibha Advani
Pratibha Advani
Chief Financial Officer

Renuka Ramnath
Renuka Ramnath
Audit Committee Chairman

Mumbai, 4th Sept. 2015

NCT

R/L

FORM A
Format of covering letter of the annual audit report to be filed with the stock exchanges

Name of the Company:	Tata Communications Limited ("the Company")
Standalone financial statements for the year ended	31 st March 2015
Type of Audit observation:	Unqualified Audit Opinion
Frequency of observation	NA

Refer our Audit Report dated 28th July, 2015 on the standalone financial statements of the Company

For S.B.BILLIMORIA & CO.
 Chartered Accountants
 (Firm's Registration No.101496W)

R. A. Banga
 R. A. Banga
 Partner
 Membership No 037915
 Mumbai, 4th Sept 2015

For Tata Communications Limited

Vinod Kumar

Vinod Kumar
 CEO & Managing Director

Pratibha Advani

Pratibha Advani
 Chief Financial Officer

Renuka Ramnath

Renuka Ramnath
 Audit Committee Chairman
 Mumbai, 4th Sept. 2015

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