TATA

HQ/CS/33rd AGM/16779
July 8, 2019

Sub: 33rd Annual General Meeting of Tata Communications Limited – Notice, Intimation of Book Closure Dates, E-voting and Annual Report 2018-19.

Dear Sir / Madam,

The 33rd Annual General Meeting ("AGM") of Tata Communications Limited ("the Company") will be held on **Friday, August 2, 2019 at 11:30 a.m. at BSE International Convention Hall, 1st Floor, BSE Building, P.J. Towers, Fort, Mumbai – 400 001.**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2018-19 which is being despatched / sent to the shareholders of the Company by permitted mode(s).

The Directors have recommended a final dividend of 45% i.e. ₹4.50 per share of the face value of ₹10/- each for approval by the shareholders for the financial year 2018-19 at the forthcoming AGM of the Company.

Pursuant to section 91 of the Companies Act 2013 and Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer books of the Company shall remain closed from Saturday, July 27, 2019 to Friday, August 2, 2019 (both days inclusive) for ascertaining eligibility for dividend. The final dividend, as recommended by the Board of Directors, if approved at the AGM, shall be paid not later than Tuesday August 9, 2019 as under:

(i) To all Members in respect of shares held in physical form whose names appear on the Company's Register of Members after giving effect to all valid share transfer requests lodged with the Registrar & Transfer Agent (R&T Agent) as of the close of business hours on Friday, July 26, 2019;

(ii) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on Friday, July 26, 2019.

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 44 of the SEBI Listing Regulations, the Members are provided

TATA

with the facility to cast their vote electronically, through e-voting services, on all resolutions set forth in the Notice of AGM. The facility of casting votes by members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited. The complete details and procedure for remote e-voting are provided in the Notice of AGM enclosed herewith.

The Annual Report containing the Notice is also uploaded on the Company's website at www.tatacommunications.com/investors/results/.

Yours faithfully,
For Tata Communications Limited

Manish Sansi
Company Secretary &
General Counsel (India)

To,

1) Security Code 500483, BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.
2) Security Code TATACOMM, National Stock Exchange of India Limited. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051.
3) TSR Darashaw Consultants Private Limited, 6-10, Haji, Moosa, Patrawal Industrial Estate, Near Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011.

TATA COMMUNICATIONS

Building Digital Foundations for Tomorrow

Annual Report 2018-19

Contents

Scan this QR code to view the online version of this report or visit www.tatacommunications.com/investors/

TATA COMMUNICATIONS AT A GLANCE

50+

entities across the globe

37+

nationalities

10,752

full time employees

Top percentile of NPS®

amongst the best customer experience in the industry

300 of the Fortune 500

constituting Tata Communications' customers

Over 35% of our new global customers

opted for at least one of our Growth Services

Certified a Great Place to Work®

In Canada, Greater China, India, Hong Kong and Singapore

83,560
(+21% YoY)

in-person learning days for skills transformation

163,713 lives touched (+82% YoY)

through our CSR initiatives globally

+10.4% YoY

revenues from our data business

+15.1% YoY

Growth Services strong momentum

USD $1.4b

order book for data services in FY19

Building Digital Foundations For Tomorrow

Tata Communications operates in a market context which continues to evolve rapidly. The enterprise landscape is changing underpinned by need for digital transformation. Digital transformation is happening across all layers of enterprise IT – with infrastructure becoming invisible, cloud becoming dominant, data driving new business models and security requirements changing from reactive to proactive.

Against this backdrop, more and more businesses with global growth ambitions are looking to transform how they operate and engage with their customers through digital platforms as a competitive differentiation. This starts by reimagining their networks – the crucial foundation for any digital business. Yet, many of our customers' needs have also evolved beyond networks: they need to enable seamless collaboration with their customers and partners, safeguard their business against cyber-attacks, and leverage the cloud and IoT to boost efficiencies.

Our range of best-in-class digital infrastructure services address this sweet spot, empowering businesses around the world to build their digital foundations to advance their leadership today and deliver a new world for tomorrow.

THE FOUNDATION OF DIGITAL TRANSFORMATION: ABOUT TATA COMMUNICATIONS

Tata Communications is a leading digital infrastructure provider. We leverage our capabilities and global reach to drive the digital transformation of multi national enterprises and communications service providers.

We intend to become the digital infrastructure provider of choice, delivering integrated managed services and solutions (including connectivity, collaboration, security, mobility and IoT) through cloud based, internet powered and user determined delivery models for our customers globally.

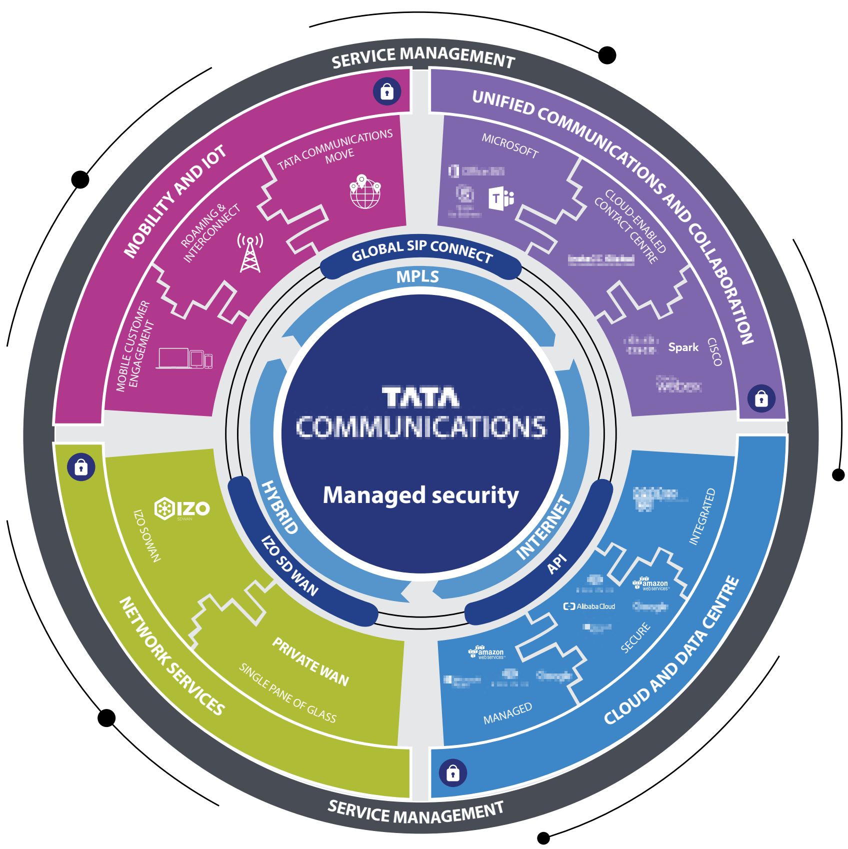
Through our network, cloud, mobility, IoT, collaboration and security services, Tata Communications carries around 30% of the world's internet routes and connects businesses to 60% of the world's cloud giants and 4 out of 5 mobile subscribers. Tata Communications' capabilities are underpinned by its global network, which is the world's largest wholly owned subsea fibre backbone and a Tier-1 IP network.

Vision:

To deliver a New World of Communications™ to advance the reach and leadership of our customers and partners.

Digital infrastructure services:

What we offer



Industries we serve

Manufacturing

E-Commerce

IT/ITES

Services

Technology

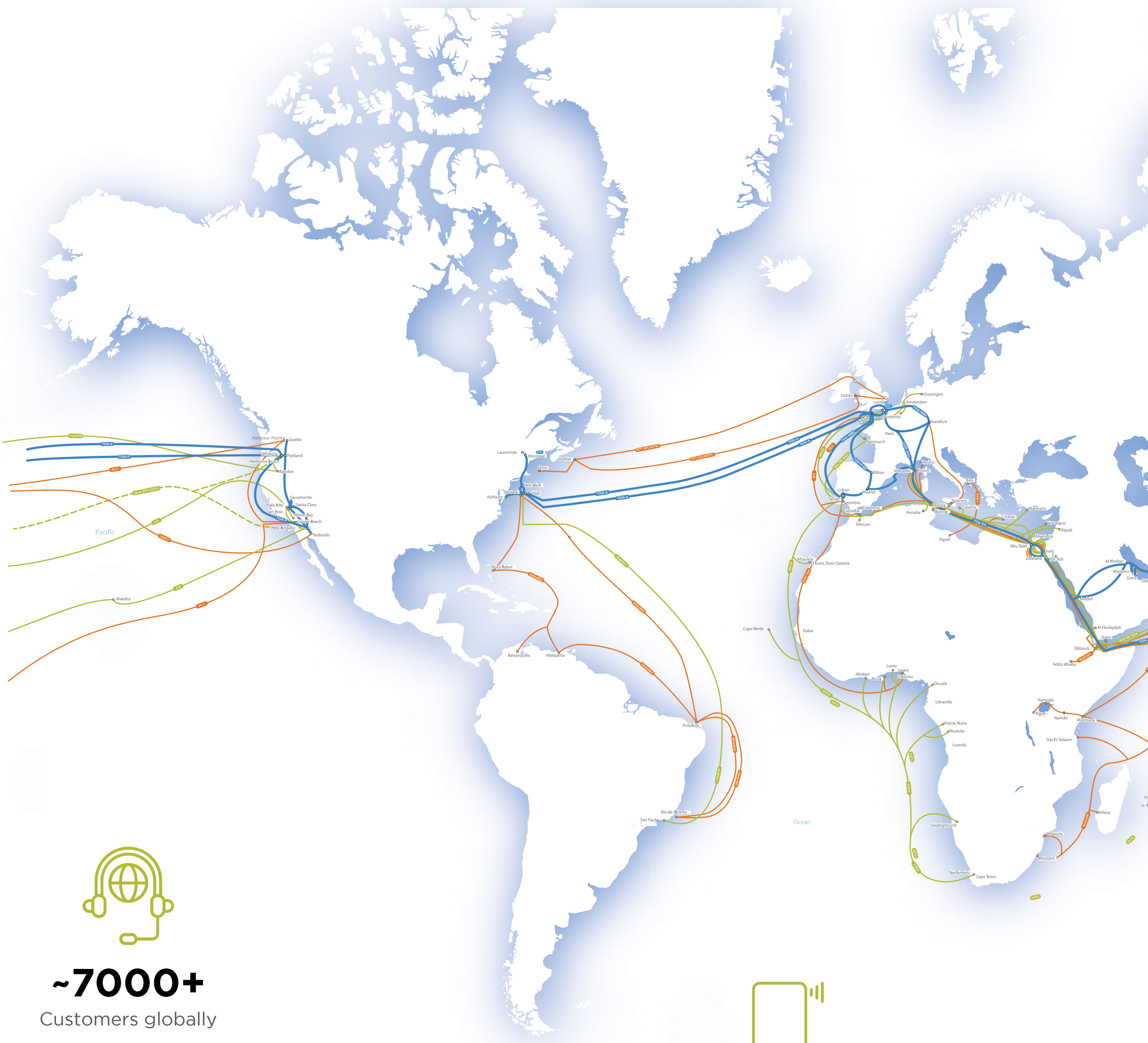
Banking/ Financial

Media/ Entertainment

Healthcare/ Pharmaceutical

Services Provider

OUR GLOBAL FOOTPRINT



~7000+

Customers globally

~5000

Enterprise customers

~2000

Service providers

4 out of 5

mobile subscribers in the world are connected through our network

30%

of the world's internet routes carried

99.951%

average network uptime including Tx (NLD, MAN, RF) and cable network (India and International)

Connects businesses to

60% of the world's cloud giants

Largest & only

wholly-owned subsea cable network that encircles the globe

BOARD OF DIRECTORS

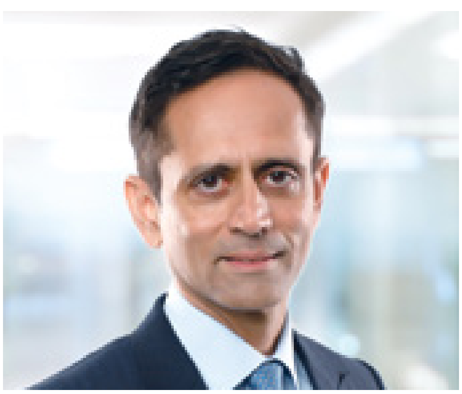
Ms. Renuka Ramnath

Chairperson

Ms. Renuka Ramnath is the Chairperson and Independent Director of Tata Communications Limited.

Ms. Ramnath is the Founder, Managing Director and CEO of Multiples Alternate Asset Management, a private equity manager and advisor to funds of ~ USD 1 bn. She has over 30 years of experience in the Indian financial sector across private equity, investment banking and structured finance. Ms. Ramnath started her career with the ICICI Group and had leadership roles in investment banking, structured finance and e-commerce. She led ICICI Venture as the MD & CEO of ICICI Venture to become one of the largest private equity funds in India. One of the most experienced private equity fund managers in India, Ms. Ramnath has a full cycle track record of investing capital raised from global Institutions. She is a Board member of EMPEA, the global industry association for private capital in emerging markets. She is also the vice-chairperson of the Executive Committee of Indian Venture Captial Association.

Ms. Ramnath has obtained a graduate degree in textile engineering from V.J. Technological Institute (VJTI), University of Mumbai and a post graduate degree in management studies from University of Mumbai. She has also completed the Advanced Management Program, the International Senior Managers Program from the Graduate School of Business Administration, Harvard University.



Mr. Vinod Kumar[1]

Managing Director & Group CEO

Mr. Vinod Kumar is the Managing Director and Group CEO of Tata Communications.

Mr. Kumar joined Tata Communications in April 2004, just as the company was embarking on its journey of international growth. He has been at the forefront of Tata Communications' transformation from a traditional connectivity services provider, largely based in India, to a leading global digital infrastructure provider. Today, the company enables the digital transformation journeys of large enterprises around the world through its portfolio of integrated, globally managed network, cloud, mobility, Internet of Things (IoT), collaboration, and security services.

With 25 years of experience in the global telecom industry, Mr Kumar has an impressive track record in developing business strategies and creating fast-growth organisations across the globe. Prior to joining Tata Communications, he was a Senior Vice President with Asia Netcom from 2002 to 2004, where he was responsible for strategy formulation, product marketing, and sales. From 1999 to 2002, he worked with WorldCom Japan as its Chief Executive Officer. Prior to this, he held various senior positions with Global One and Sprint International in the United States and Asia.

Mr. Kumar has served as a Strategy Advisor & Consultant of UST Global (Singapore) Pte Ltd, among several others. He is also a member of the Business Sector Advisory Council for UN Women.

[1] **Mr. Vinod Kumar has resigned as the Managing Director & Group CEO of the Company with effect from the close of business hours on July 5, 2019**

Mr. Srinath Narasimhan
Director

Mr. Srinath Narasimhan is the Managing Director of Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited. Prior to joining Tata Teleservices, Mr. Srinath was the Managing Director and CEO of Tata Communications (erstwhile VSNL). Under his leadership, Tata Communications transformed from a monopoly, public sector undertaking into a global communications services provider offering advanced network, managed and cloud services to customers worldwide.

With over 32 years of experience within the Tata Group, Mr. Srinath has held various leadership positions across Tata companies in areas such as Information Technology and Telecommunications. He currently serves as a Director on the Boards of Tata Industries Limited, Honeywell Automation India Limited, ATC Telecom Infrastructure Private Limited and Tata Communications Limited. Mr. Srinath has also served as the 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.

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. Mr. Srinath was also named the 'Telecom CEO of the Year' in Asia by the leading publishing group Telecom Asia in 2006., and in the same year he was conferred the Udyog Rattan Award by the Institute of Economic Studies (IES).

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.

Dr. Uday B. Desai
Director

Since June 2009, Dr. Uday B. Desai has been the Director of IIT Hyderabad. He was the Mentor Director for IIT Bhilai, and for IIIT Chittoor, Sricity, AP.

Dr. Desai is on several government committees, and is one of the founding members of COMSNETS and also the Society for Cancer Research and Communication. He was the Chair for IEEE Bombay Section 2006-2008 and was on the Visitation Panel for University of Ghana.

Dr. Desai has held faculty positions at different universities: Assistant and then Associate Professor at the School of Electrical Engineering and Computer Science Department at Washington State University; and Professor in the Electrical Engineering Department at the Indian Institute of Technology - Bombay. He has held positions of Visiting Associate Professor at Arizona State University, Purdue University and Stanford University, and has been a visiting Professor at EPFL, Lausanne. Dr. Desai has also held positions of Dean of Students at IIT-Bombay and Director of HP-IITM R and D Lab. at IIT-Madras.

Dr. Desai received a B. Tech. degree from Indian Institute of Technology, Kanpur, India, in 1974, an M.S. degree from the State University of New York, Buffalo, in 1976, and a PhD from The Johns Hopkins University, Baltimore, U.S.A., in 1979, all in Electrical Engineering.

His research interest areas include wireless communication, wireless sensor networks, cyber physical systems, Internet of Things and AI. He is the author /co-author of 9 research monographs, and nearly 300 peered reviewed papers in international journals and international conferences.

Dr. Desai is a senior member of IEEE, a Fellow of INSA (Indian National Science Academy), a Fellow of the Indian National Academy of Engineering (INAE) and a recipient of J C Bose Fellowship. He is also the recipient of the Excellence in Teaching Award from IIT-Bombay for 2007 and received the outstanding Alumni Award from University of Buffalo (State University of New York) in 2015. In 2016 he received the Distinguished Alumni Award from IIT Kanpur. Dr. Desai has graduated 25 Ph.D. students, and over 100 Masters students with thesis option.

Dr. M. P. Tangirala
Director

Dr. Maruthi Prasad Tangirala is at present Deputy Director General (LFP), Department of Telecommunications, Ministry of Communications, Government of India.

Dr. Tangirala has worked in the areas of revenue assurance, financial advice, vigilance, training, and licensing finance in the Department of Telecommunications, Ministry of Communications, Government of India, and in financial and economic analysis in the telecom sector regulator - TRAI, in two stints, first as Director and then as Advisor. He has also worked as Executive Director, Insurance Regulatory and Development Authority of India, Hyderabad (IRDAI). Dr. Tangirala has been a Government nominee Director in Bharat Sanchar Nigam Limited and was also on the Boards of the Insurance Information Bureau and Institute of Insurance and Risk Management during his stint at IRDAI. He has also worked in the Union Public Service Commission in two spells.

Dr. Tangirala is a 1990 batch officer of the Indian P&T Accounts and Finance Service. He joined the civil service after obtaining a bachelor's degree in civil engineering from College of Engineering, Guindy, and a PGDM from Indian Institute of Management Calcutta. Dr. Tangirala also holds a degree in law from Osmania University, Hyderabad, an MPhil degree from Panjab University, Chandigarh, and a PhD from the Centre for the Study of Law and Governance, Jawaharlal Nehru University, New Delhi. His book *Telecom Sector Regulation in India: An Institutional Perspective* has recently been published by Routledge.

Dr. Rajesh Sharma
Director

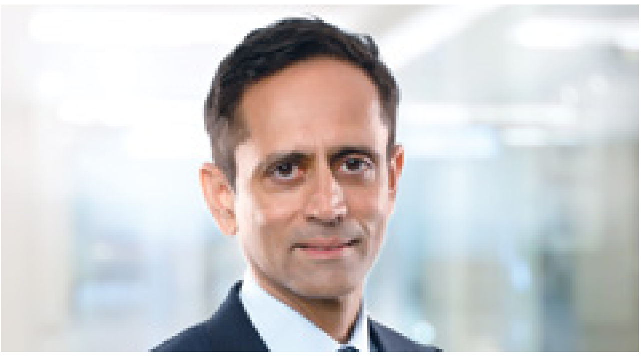
Dr. Rajesh Sharma is presently working as Deputy Director General (Service Unit), Department of Telecommunications, Ministry of Communications, Government of India. Dr. Sharma has an experience of more than 30 years in telecom technologies in operations, and planning and rolling out of wireless, wireline and broadband technologies in the Department of Telecommunications and Bharat Sanchar Nigam Limited. Dr. Sharma currently serves as a Government Nominee Director on the Board of ITI Limited.

Dr. Sharma earlier worked on deputation at the National e-Governance Division (NeGD), under the Ministry of Electronics & Information Technology (MeITY), Government of India as Director (Capacity Building), where he was responsible for capacity building for e-Government projects and involved in setting up HR policies and guidelines and imparting training at various levels in central line ministries and state governments.

A Fellow of the Indian Institute of Management Indore in Information Systems area (equivalent to PhD), Dr. Sharma also holds a Post Graduate Diploma in Management (PGDM) from MDI Gurgaon and a BE (Electronics) degree from DAW, Indore

Dr. Sharma has published more than 10 widely cited research papers, case studies and book reviews in internationally reputed journals. His areas of interest in academic research include e- Government, technology acceptance, interoperability, service quality, green IT, recommender systems, knowledge management, sustainability and business process reengineering.

WORD FROM THE MD & CEO[1]



Dear Shareholder

FY19 was a year of progress - one where we were able to deliver steady performance and one where we continued to build core strength for our future growth.

Looking back over the past year, there have been many defining moments for our company: landmark customer successes such as Carlsberg, major steps forward with our internal business transformation, and new partnerships with major industry players such as China Telecom Global to accelerate IoT adoption in China, and the Confederation of Indian Industry to drive digital transformation in India. We have been recognised as an employer of choice in many markets worldwide and for excellence in customer service where we are positioned in the top percentile/quartile of NPS®, amongst the best in the industry. And, we continue to be acknowledged by industry analysts for our maturing portfolio of digital infrastructure services that enables our customers to transform how they operate and boost their competitiveness.

Meanwhile, we continue to be vigilant of the changes and challenges that the telecom and technology sector has faced in the last few years. We have witnessed shifts in how people and businesses use technology, leading to pricing pressure, cut-throat competition and market consolidation – all in the broader macroeconomic context characterised by growing nationalism, trade wars and economic slowdown.

As an organisation, we have remained focused on anticipating and managing these shifts by being agile and with a clear roadmap to steer us towards future growth. This focus is backed by our track-record in successfully transforming the Company from a government-owned India focused entity into the global digital infrastructure provider it is today.

A global digital infrastructure provider of choice

Over the last two decades, the world has changed beyond recognition thanks to ubiquitous connectivity. The first generation of mobile networks was all about voice and gradually evolved to data and its applications. Additionally, connectivity was largely within the enterprise and maybe to their supply chain partners. However, today, it is truly multifaceted and all encompassing. It is about video, mobility, IoT and the once-unfathomable opportunities that the combination of always-connected, cloud-powered applications offer for businesses, their partners, suppliers and consumers worldwide.

Against this backdrop, more and more businesses with global growth ambitions are looking to transform how they operate and engage with their customers through digital platforms. This starts by reimagining their networks – the crucial foundation for any digital business. Yet, many of our customers' needs have also evolved beyond networks: they need to enable seamless collaboration with their customers and partners, safeguard their business against cyber-attacks, and leverage the cloud and IoT to boost efficiencies. Our range of best-in-class digital enablement services address this sweet spot.

Growth and innovation: focus on the future

Demonstrating the growing demand for our capabilities, during FY19 our order book for data services was at US$1.4 billion, witnessing a growth of 41% over the previous year. These are multi-year contracts in various

[1] Mr. Vinod Kumar has resigned as the Managing Director & Group CEO of the Company with effect from the close of business hours on July 5, 2019

stages of execution, and we are committed to flawless delivery to convert them to revenue.

Our data business now contributes to around 77% of our overall revenues. Revenues from our data business grew by 10.4% year-on-year on the back of strong performance in our Growth Services. Traditional services remain stable, despite industry headwinds with operator consolidation.

The Growth Services portfolio witnessed strong momentum where revenue grew by 15.1% year-on-year to US$398 million on the back of large deal wins in this portfolio. Through these capabilities, including SDWAN, Unified Communications and Collaboration, Managed Hosting, and Security services, our customers across industries are able to drive organisation-wide digital transformation.

We witnessed revenue uptick in the Innovation Services portfolio following successful deployments of our mobility and IoT services (Tata Communications MOVE™) and IoT India solutions. We have a strong order book and a funnel for growth in this portfolio and expect significant revenue ramp-up in FY20.

To help us grab a greater share of the fast-growing global mobility market, we invested in our capabilities by acquiring Teleena, a Netherlands-based mobility and IoT specialist. Gaining exclusive access to Teleena's state-of-the-art solution will help us fulfil our goal of supporting the mobility and IoT-enabled digital transformation of our customers.

Our people: our strength

As we strengthen our capabilities to build a digital infrastructure that is future-ready, our people philosophy remains at the core of our business success.

During FY19, we sharpened our focus on internal talent development and platforms. By establishing a skills transformation programme organisation-wide, we have created an environment that empowers individuals to acquire skills that will keep them relevant in an evolving technology landscape. As a result, we saw a 21% YoY increase on person learning days, which enable employees to enhance and future-proof their skillset.

We're proud of our diverse and multicultural workforce that represents more than 37 nationalities. We recognise that diversity of talent is key to our success, because people of different genders, backgrounds, skills and perspectives enable us to anticipate and respond to the changes in our industry with agility and address our customers' evolving needs more effectively. We continue to introduce new initiatives to help improve gender diversity at Tata Communications globally and help accelerate the growth of our business. We are making good progress in improving our 'winning mix', with a greater proportion of female employees – up from 16% in FY14 to 22.5% at the end of FY19.

Demonstrating our commitment to be an employer of excellence, FY19 was the year that saw Tata Communications certified a Great Place to Work® in Canada, Greater China, India, Hong Kong and Singapore. We ranked high as an equal opportunities employer, with inclusive workplace policies and a high-trust, high-performance culture. We were also recognised as an Aon Best Employers, India 2018 for a third year in a row, and in Hong Kong for the second consecutive year.

Looking ahead

Looking forward, we only see greater opportunities ahead, as organisations continue to harness the power of technology to transform their business models and drive competitive differentiation.

The continued success of our data business has helped us deliver consistent financial performance and create momentum for the future. Our Growth Services continue to scale up, and the increasing adoption of these solutions is enabling us to engage more deeply with our customers. Our focus remains on offering best-in-class digital infrastructure services, ensuring seamless global connectivity and effortless digital transformation for businesses around the world.

Our strategy is strong, underpinned by the talent and commitment of our employees worldwide to execute it. We have built a strong foundation to achieve our goals: accelerate structural revenue growth and improve margins, free cash flow and ROCE to create value for our stakeholders.

On behalf of the Board, I would like to thank you for your continued trust and support, as we thank our customers, partners, associates and our employees.

Mr. Vinod Kumar
Managing Director & Group CEO
Tata Communications Limited

[1] **Mr. Vinod Kumar has resigned as the Managing Director & Group CEO of the Company with effect from the close of business hours on July 5, 2019**

AWARDS AND RECOGNITION

Employee success

Certified a Great Place to Work® in Canada, Greater China, India, Hong Kong and Singapore, ranking high as an equal opportunities employer, with inclusive workplace policies and a high-trust, high-performance culture

Employee success

Aon Best Employers, India 2018 for third year in a row and in Hong Kong for the second consecutive year

Employee success

People Matters Total Rewards as 'Best in Employee Volunteering'

Customer success

Tata Communications is positioned in the top percentile of NPS®, amongst the best in the industry

Customer success

CX Strategy Summit & Awards – Best Customer Experience

Customer success

Telecom Review Summit – Best Customer Service Provider

Customer success

Stevie Awards Bronze (for sales and customer service)

Customer success

Clarabridge Customer Experience Innovation Award

Customer success

Customer Fest Show- CX Leader of the Year Award

Analyst recognition

Leader in Gartner's 2019 Magic Quadrant for Network Services, Global

Analyst recognition

Major Player in the IDC MarketScape: Asia/Pacific Managed Security Services 2018 Vendor Assessment

Analyst recognition

Positioned in the Forrester Wave™, Managed Security Services in Asia Pacific, Q1 2019

Analyst recognition

Three MEF 2018 Awards: Wholesale Service Provider of the Year- APAC; Enterprise Application of the Year – Financial and Enterprise Application of the Year – Retail

Analyst recognition

2019 Frost & Sullivan Best Practices Awards – Asia Pacific: Managed UC Services Provider of the Year (third year running)

Analyst recognition

2019 Frost & Sullivan Best Practices Awards: Global Hybrid Cloud Services Product Line Strategy Leadership Award and Sub Saharan African IoT MVNO Visionary Innovation Leadership Award

Analyst recognition

NetEvents 2018 IoT & Cloud Innovation Award: Innovation Leader: IoT

Analyst recognition

TechXLR8 Asia Awards 2018: Best IoT Partnership

Analyst recognition

Six awards at the Frost & Sullivan 2018 India ICT Awards

Industry recognition

Cisco Partner Summit 2018 Awards: Software Partner of the Year

Industry recognition

Two Carriers World Awards: Best IoT initiative and Best IPX Service Provider

Industry recognition

Telecom Asia Readers' Choice awards: IoT/M2M Solution Innovation of the Year

Industry recognition

MEF Awards – Proof of Concept: MEF 3.0 Implementation; MEF 3.0 Inter-carrier servicer for Automated Discovery and Blockchain Settlement

CORPORATE DETAILS

BOARD OF DIRECTORS

Ms. Renuka Ramnath (Chairperson) (Independent)
Mr. Vinod Kumar (Managing Director and Group CEO till the close of business hours on July 5, 2019)
Mr. Srinath Narasimhan
Dr. Uday B. Desai (Independent)
Dr. Maruthi Prasad Tangirala
Dr. Rajesh Sharma

KEY MANAGERIAL PERSONNEL

Mr. Manish Sansi	Company Secretary & General Counsel (India)
Ms. Pratibha K. Advani	Chief Financial Officer

REGISTERED OFFICE

VSB, Mahatma Gandhi Road, Fort, Mumbai – 400 001
Tel: +91 22 6657 8765, Fax: +9122 6725 1962
Email: investor.relations@tatacommunications.com
Website: www.tatacommunications.com.

CORPORATE OFFICE

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

BANKERS

ANZ Bank
Axis Bank
Bank of America
Bank of Baroda
Bank of Nova Scotia
BNP Paribas Bank
Citibank Inc.
Deustche 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.
JP Morgan Chase Bank NA
Kotak Mahindra Bank Ltd.
Punjab National Bank
Ratnakar Bank Limited
Standard Chartered Bank
State Bank of India
Syndicate Bank
Yes Bank Ltd.

FINANCIAL INSTITUTIONS

Cisco Capital
Export Development Canada (EDC)
US EXIM

LEGAL ADVISORS

S&R Associates
Shardul Amarchand Mangaldas & Co
Khaitan & Co.
Cyril Amarchand Mangaldas
Trilegal

STATUTORY AUDITORS

S.R. Batliboi & Associates LLP, Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

TSR Darashaw Consultants Private Limited
6/10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road,
Near Famous Studio, Mahalaxmi, Mumbai – 400 011
Tel: (022) 6656 8484, Fax: (022) 6656 8494
E-mail: csg-unit@tsrdarashaw.com, Website: www.tsrdarashaw.com

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of Tata Communications Limited ("the Company") will be held at 11:30 a.m. on Friday, August 2, 2019, at BSE International Convention Hall, 1st Floor, BSE Building, P.J. Towers, Fort, Mumbai – 400 001 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 March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 along with the Report of the Auditors thereon.

2. To declare a final dividend on equity shares for the financial year 2018-19.

3. To appoint a Director in place of Mr. Srinath Narasimhan (DIN: 00058133), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

4. **Ratification of appointment of Statutory Auditors**
   To consider and, if thought fit, to pass 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(s) thereof for the time being in force), the Company hereby ratifies the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) 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 34th AGM of the Company, on such remuneration as may be mutually agreed upon between the Company and the Auditors."

SPECIAL BUSINESS

5. **Appointment of Dr. Maruthi Prasad Tangirala (DIN: 03609968) as a Director of the Company**
   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** Dr. Maruthi Prasad Tangirala (DIN: 03609968), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 5, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161 and any other applicable provisions of the Companies Act, 2013 ("Act"), including any amendments/ modifications thereto and Article 66B of the Articles of Association of the Company, and who is eligible for appointment and in respect of whom a notice in writing under Section 160 of the Act has been received by the Company from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

   "**RESOLVED FURTHER THAT** the Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Appointment of Dr. Rajesh Sharma (DIN: 08200125) as a Director of the Company**
   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** Dr. Rajesh Sharma (DIN: 08200125) who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 5, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161 and any other applicable provisions of the Companies Act, 2013 ("Act"), including any amendments/ modifications thereto and Article 66B of the Articles of Association of the Company, and who is eligible for appointment and in respect of whom a notice in writing under Section 160 of the Act has been received by the Company from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

"**RESOLVED FURTHER THAT** the Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. **Re-appointment of Dr. Uday B. Desai (DIN: 01735464) as an Independent Director of the Company** To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Dr. Uday B. Desai (DIN: 01735464), who was appointed as an Independent Director at the twenty-eighth Annual General Meeting of the Company and who holds office up to August 3, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing with effect from August 4, 2019 up to June 5, 2021."

"**RESOLVED FURTHER THAT** the Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. **Ratification of Cost Auditor's Remuneration** To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification or variation thereof, the Company hereby ratifies the remuneration of ₹6 lakhs plus out of pocket expenses on actual basis subject to a maximum of ₹60,000/- payable to Ms. Ketki D. Visariya, Cost Accountant (Membership No: 16028), who has been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the financial year ending March 31, 2020.

"**RESOLVED FURTHER THAT** the Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Manish Sansi
Company Secretary
ACS-10985

Mumbai, May 8, 2019
CIN: L64200MH1986PLC039266

Registered Office:
VSB, Mahatma Gandhi Road,
Fort, Mumbai - 400 001.
Tel: +91 22 6659 1968
Email: investor.relations@tatacommunications.com
Website: www.tatacommunications.com

NOTES:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 8 of the Notice, is annexed hereto. The relevant details as required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting, are also annexed.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM" or 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 not more than fifty members 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 but then such person shall not act as a proxy for any other person or member.

3. Corporate members, intending to send their Authorized Representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing such representative to attend and vote on their behalf at the meeting.

4. During the period beginning twenty-four hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting, a member entitled to vote at the meeting is entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days of notice of such intention to inspect is given in writing to the Company.

5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

6. Registers of Members and transfer books of the Company shall remain closed from Saturday, July 27, 2019 till Friday, August 2, 2019 (both days inclusive) for the purpose of ascertaining eligibility for dividend.

7. The final dividend, as recommended by the Board of Directors, if approved at the annual general meeting, shall be paid not later than Friday, August 9, 2019 as under:

    (i) To all Members in respect of shares held in physical form whose names appear on the Company's Register of Members after giving effect to all valid share transfer requests lodged with the Registrar & Share Transfer Agent (R&T Agent) as of the close of business hours on Friday, July 26, 2019;

    (ii) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on Friday, July 26, 2019.

8. Members, Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID /Folio.

9. This may be taken as notice of declaration of dividend for financial year 2018-19 in accordance with Article 93 of Articles of Association of the Company in respect of dividend for that year when declared.

10. Members holding shares in electronic (dematerialized) form are requested to intimate all changes pertaining to their bank details including bank account number, name of the bank and branch details, MICR Code and IFSC Code, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent – M/s. TSR Darashaw Consultants Private Limited ("TSRDCPL") at 6-10, Haji Moosa Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011.

    The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their depository participant(s). Members holding shares in physical form are requested to submit their PAN details to TSRDCPL.

11. As per Section 72 of the Companies Act, 2013, members are entitled to make nomination in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 which is available on the website of TSRDCPL http://www.tsrdarashaw.com (under "Downloads" section). Members holding shares in physical form may submit the same to TSRDCPL. Members holding shares in electronic form may submit the same to their respective depository participant(s).

12. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

13. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, 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 ("IEPF") established by the Central Government. The Members who have not encashed their dividend warrant(s) so far for the financial year ended 2011-12 or any subsequent financial years are requested to lodge their claims with TSRDCPL. According to the provisions of the Act, no claims shall lie against the IEPF or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.

The Ministry of Corporate Affairs notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, on September 05, 2016 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 on 28 February 2017 ("IEPF Rules") which are applicable to the Company. The objective of the IEPF Rules is to help members ascertain the status of unclaimed amounts. In terms of the IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the last AGM i.e. August 9, 2018, on the website of IEPF viz. www.iepf.gov.in and under "Investor Relations" section on the website of the Company at www.tatacommunications.com.

The summary of the unpaid dividend for the past years and the dates on which the outstanding amount shall be transferred to the Investor Education and Protection Fund are given in the table below:

Dividend for the year	Date of AGM	Date of Transfer to Investor Education & Protection Fund	Balance as on March 31, 2019 (₹)
2011-12	July 27, 2012	August 28, 2019	4,79,884.00
2012-13	July 26, 2013	August 27, 2020	5,93,547.00
2013-14	August 4, 2014	September 5, 2021	8,90,563.50
2014-15	September 29, 2015	October 30, 2022	12,22,248.50
2015-16	August 1, 2016	September 2, 2023	11,66,684.60
2016-17	June 27, 2017	July 28, 2024	16,30,650.00
2017-18	August 9, 2018	September 10,2025	10,55,407.50
		Total	**70,38,985.10**

As per the provisions of Section 124 of the Companies Act, 2013, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Investor Education and Protection Fund Authority. In accordance with the IEPF Rules, the Company has transferred unpaid / unclaimed dividend for the financial year 2010-11 to the IEPF.

The Company has sent out individual communication to 144 members whose dividend remains unclaimed for seven years, and published an advertisement in newspapers, inviting such members to claim their dividend.

14. The Notice of the AGM along with the Annual Report 2018-19 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. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. www.tatacommunications.com.

15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with their Depository Participants / TSRDCPL.

16. The route map showing directions to reach the venue of the 33rd AGM is annexed.

17. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services, on all resolutions set forth in this Notice. The facility of casting votes by members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by NSDL.

The facility for voting electronically or through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The instructions for e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

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 / PIN for remote e-voting. Please note that the password is an initial password.

ii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.

iii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

iv. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

v. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Applicant Company For example if folio number is 001*** and EVEN is 110716 then user ID is 110716001***

vi. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

vii. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

viii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

ix. Now, you will have to click on "Login" button.

x. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

ii. After click on Active Voting Cycles, you will be able to see the "EVEN" for all companies in which you are holding shares and whose voting cycle is in active status.

iii. Select "EVEN" of company for which you wish to cast your vote.

iv. Now you are ready for e-Voting as the Voting page opens.

v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

vi. Upon confirmation, the message "Vote cast successfully" will be displayed.

vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

i. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutiniser by e-mail to cs@parikhassociates.com with a copy marked to evoting@nsdl.co.in.

ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

A. Other Instructions

i. The e-voting period commences on Tuesday, July 30, 2019 (9:00 a.m. IST) and ends on Thursday, August 1, 2019 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, July 26, 2019 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 as on the cut-off date. 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 as well as voting at the meeting through electronic voting system or ballot.

iii. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and is 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 or contact NSDL at the following toll free number: 1800-222-990.

iv. Mr. Mitesh Dhabliwala (Membership No.:FCS 8331) or failing him Ms. Sarvari Shah (Membership No.:FCS 9679) of M/s. Parikh & Associates, Practising Company Secretaries, has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

v. The Scrutiniser shall, immediately after the conclusion of voting at the meeting, count the votes cast at the meeting and, 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 two days of conclusion of the meeting, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chair person or a person authorised by the Chair person in writing who shall countersign the same.

vi. The results declared along with the Scrutiniser'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. The results shall also be displayed on the notice board at the Registered Office of the Company.

vii. Members are requested to carry a valid identification proof to be presented at the entry to the venue of the AGM.

viii. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Annexure to the Notice dated May 8, 2019

The Statement of Material Facts pursuant to Section 102(1) of the Companies Act, 2013 ("Act") relating to business mentioned under Item Nos. 4 to 8 of the accompanying Notice.

IN RESPECT OF ITEM NO. 4

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

At the 31st Annual General Meeting of the Company held on June 27, 2017, the members had appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as the statutory auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting to be held in the year 2022, subject to ratification by Members at every AGM.

In view of the above, and M/s. S.R. Batliboi & Associates LLP, being eligible for re-appointment, it is proposed that the Members may ratify the appointment of M/s. S.R. Batliboi & Associates LLP as Statutory Auditors from the conclusion of this AGM till the conclusion of the next AGM.

The Board recommends the Resolution at Item No. 4 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. 4 of the accompanying Notice.

IN RESPECT OF ITEM NO. 5

As per the nomination received from the Government of India and after obtaining necessary security clearance under the Company's TV uplinking license from the Ministry of Information and Broadcasting and in accordance with the recommendation of the Nomination and Remuneration Committee, Dr. Maruthi Prasad Tangirala was appointed as an Additional Director on the Board with effect from March 5, 2019 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. Maruthi Prasad Tangirala holds office up to the date of the forthcoming Annual General Meeting. Dr. Tangirala 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. Tangirala 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and any modification(s)/amendment(s) thereto.

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

Keeping in view the experience and expertise, the Resolution at Item No. 5 for his appointment as Director of the Company is recommended by the Board for approval by the Members.

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

Brief profile of Dr. Tangirala is given below:

Dr. Maruthi Prasad Tangirala is a 1990 batch officer of the Indian P&T Accounts and Finance Service. He joined the civil service after obtaining a bachelor's degree in civil engineering from College of Engineering, Guindy, and a PGDM from Indian Institute of Management Calcutta.

He has worked in the areas of revenue assurance, financial advice, vigilance, training, and licensing finance in the Department of Telecommunications, Government of India, and in financial and economic analysis in the telecom sector regulator, TRAI, in two stints, first as Director and then as Advisor. He has also worked as Executive Director, Insurance Regulatory and Development Authority of India, Hyderabad. He has been Government nominee Director on the Board of BSNL and was on the Boards of IIB and IIRM during his stint at IRDAI. He has also worked in the Union Public Service Commission, again in two stints. He holds a degree in law from Osmania University, Hyderabad, an MPhil from Panjab University, Chandigarh, and a PhD from the Centre for the Study of Law and Governance, Jawaharlal Nehru University, New Delhi, where his thesis was on the institutional aspects of regulatory governance in the Indian telecom services sector. He is at present Deputy Director General (LFP), Department of Telecommunications, New Delhi.

IN RESPECT OF ITEM NO. 6

As per the nomination received from the Government of India and after obtaining necessary security clearance under the Company's TV uplinking license from the Ministry of Information and Broadcasting and in accordance with the recommendation of the Nomination and Remuneration Committee, Dr. Rajesh Sharma was appointed as an Additional Director on the Board with effect from March 5, 2019 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. Rajesh Sharma holds office up to the date of the forthcoming Annual General Meeting. Dr.

Sharma 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. Sharma 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 SEBI Listing Regulations, and any modification(s)/amendment(s) thereto.

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

Keeping in view the experience and expertise, the Resolution at Item No. 6 for his appointment as Director of the Company is recommended by the Board for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs except Dr. Sharma is concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

Brief profile of Dr. Sharma is given below:

Dr. Rajesh Sharma belongs to the Indian Telecom Service (ITS) 1988 batch at Department of Telecom, Ministry of Communication & IT, Government of India. Presently working as Deputy Director General (Service Unit), Department of Telecom, Ministry of Communication, Govt. of India. He possesses experience of more than 25 years in telecom technologies in operation, planning and roll out of wireless, wire line and broadband technologies in the Department of Telecom and Bharat Sanchar Nigam Limited.

He is a fellow of Indian Institute of Management Indore in Information Systems area (equivalent to PhD) and holds a Post Graduate Diploma in Management (PGDM) from MDI Gurgaon.

IN RESPECT OF ITEM NO. 7

At the Annual General Meeting held on August 4, 2014, the members of the Company had approved the appointment of Dr. Uday B. Desai as an Independent Director of the Company to hold office for a period of five years up to August 3, 2019.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director can be re-appointed with the approval of shareholders by a special resolution and may hold office for a maximum of two terms of up to five years each.

Based on the recommendation of the Nomination & Remuneration Committee and keeping in view the contribution of Dr. Desai to the Company, the Board of Directors at its meeting held on May 8, 2019 approved the re-appointment of Dr. Uday B. Desai as an Independent Director of the Company for a second term commencing from August 4, 2019 to June 5, 2021, subject to approval of the members.

The Company has received a declaration from Dr. Desai that, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, and that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and his consent to be re-appointed as an Independent Director. In terms of Regulation 25(8) of SEBI Listing Regulations, Dr. Desai has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

The resolution set-forth in Item No. 7 seeks the approval of members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and Rules made thereunder, for re-appointment of Dr. Desai as an Independent Director of the Company for a second term commencing from August 4, 2019 up to June 5, 2021.

In the opinion of the Board, Dr. Desai fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management. A copy of the letter of appointment of Dr. Uday B. Desai, setting out the terms and conditions is available for inspection without payment of 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 and will also be kept open at the venue of the AGM till the conclusion of the AGM.

If re-appointed, Dr. Desai will act as a non-executive Independent Director whose office shall not be liable to retire by rotation.

Keeping in view Dr. Desai's experience and contributions to the Company, the Resolution at Item No. 7 for his re-appointment as an Independent Director is recommended by the Board for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs except Dr. Desai is concerned or interested in the Resolution at Item No. 7 of the accompanying Notice.

Brief profile of Dr. Desai is given below:

Dr. Uday B. Desai received his B. Tech. degree from the Indian Institute of Technology, Kanpur, India, in 1974, the MS degree from the State University of New York, Buffalo, in 1976, and the PhD. degree from The Johns Hopkins University, Baltimore, USA., in 1979, all in Electrical Engineering. Since June 2009 he has been the Director of IIT Hyderabad. Dr. Desai is a senior member of IEEE, a Fellow of Indian National Science Academy (INSA), the Indian National Academy of Engineering (INAE), and the Institution of Electronic & Telecommunication Engineers (IETE). He is the recipient of the 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 the Society for Cancer Research and Communication. He was the Chair for IEEE Bombay Section 2006-2008. He was also on the Visitation Panel for the University of Ghana.

IN RESPECT OF ITEM NO. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Ms. Ketki D. Visariya, Cost Accountant, as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020. Accordingly, under the authority from the Board of Directors, the remuneration of the Cost Auditor was fixed at ₹6,00,000/- plus out of pocket expenses on actual basis subject to a maximum of ₹60,000/-. 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 Auditor has to be ratified by the members of the Company. Accordingly, the resolution at Item No.8 is placed before the members 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 recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

By Order of the Board of Directors

Manish Sansi
Company Secretary
ACS-10985

Mumbai, May 8, 2019
CIN: L64200MH1986PLC039266

Registered Office:
VSB, Mahatma Gandhi Road,
Fort, Mumbai - 400 001.
Tel: +91 22 6659 1968
Email: investor.relations@tatacommunications.com
Website: www.tatacommunications.com

Details of Directors Seeking Appointment / Re-Appointment at the 33rd Annual General Meeting

Particulars	Mr. Srinath Narasimhan	Dr. Maruthi Prasad Tangirala	Dr. Rajesh Sharma	Dr. Uday B. Desai
Date of Birth	July 8, 1962	July 25, 1965	March 12, 1965	February 14, 1951
Age	57	54	54	68
DIN	00058133	03609968	08200125	01735464
Date of Appointment	February 13, 2002	March 5, 2019	March 5, 2019	June 6, 2011
Qualifications	Degrees in Mechanical Engineering and Management	Bachelor's Degree in Civil engineering, PGDM, MPhil., Ph.D	Bachelor's Degree in Electronics, PGDM, Fellow of Indian Institute of Management Indore in Information Systems area (equivalent to Ph.D)	Bachelor's Degree in Technology, Master Degree in Science, Ph.D
Expertise in specific functional area	Marketing and Systems	Revenue assurance, Law, Governance and Civil Engineering	Telecommunications technologies	Wireless communication, electrical engineering, cyber physical systems and statistical signal processing.
Directorships held in other public companies (excluding foreign companies, private companies and Section 8 companies)	▪ Tata Teleservices (Maharashtra) Limited ▪ Honeywell Automation India Ltd. ▪ Tata Teleservices Ltd. ▪ Tata Industries Ltd	-	ITI Limited	• Tata Communications Payment Solutions Limited • Real Innovators Limited
Memberships/Chairmanships of committees in other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	**Audit Committee** ▪ Honeywell Automation India Limited **Stakeholders' Relationship Committee:** ▪ Honeywell Automation India Limited ▪ Tata Teleservices (Maharashtra) Limited	-	-	-
Shareholding in Tata Communications Limited	-	-	-	-

Notes:

1. Detailed résumé of each Director can be viewed under the "Board of Directors" section of the Annual Report.
2. Other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel are provided in the Corporate Governance Report.

BOARDS' REPORT

Dear Shareholders,

The Directors present the 33rd Annual Report and audited financial statements of Tata Communications Limited (the 'Company') for the financial year ended March 31, 2019. The Company along with its subsidiaries wherever required is referred as 'we', 'us', 'our', or 'Tata Communications'.

PERFORMANCE

The table below sets forth the key financial parameters of the Company's performance during the year under review:

(₹ in crores)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Continuing operations				
Income from operations	5389.13	5252.03	16524.95	16671.69
Other income	92.23	323.53	60.26	259.66
Total revenue	**5481.36**	**5575.56**	**16585.21**	**17031.35**
Total expenses	5090.16	4852.26	16244.25	16610.22
Profit from ordinary activities before exceptional items, tax and share of profit of associate	**391.20**	**723.30**	**340.96**	**421.13**
Exceptional items	(666.97)	(234.23)	2.24	(375.52)
Profit / (Loss) before tax and share of profit of associate	**(275.77)**	**489.07**	**343.20**	**45.61**
Tax expense/(benefit)				
Current tax	223.83	304.85	332.67	409.16
Deferred tax	(57.28)	(82.41)	(59.35)	(54.24)
Profit / (Loss) for the period	**(442.32)**	**266.63**	**69.88**	**(309.31)**
Share in profit of associates	-	-	(150.31)	(16.30)
Profit/ (Loss) for the period from continuing operations	**(442.32)**	**266.63**	**(80.43)**	**(325.61)**
Other Comprehensive Income (net of tax)	(8.86)	(517.26)	(445.36)	(562.86)
Total Comprehensive Income / (Loss)	**(451.18)**	**(250.63)**	**(525.79)**	**(888.47)**

During the year under review, consolidated revenue of Tata Communications' voice services business revenue contributed 32% of the total revenue, while data services business contributed 68% of the total revenue. You can read more about Tata Communications' performance in the Management Discussion and Analysis (MDA), which forms part of this Report.

Dividend

The Directors are pleased to recommend a dividend of ₹4.50 per share, from the balance available in the reserves and surplus, for the financial year ended March 31, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting. For comparison, in FY17-18, the Company paid a dividend of ₹4.50 per share.

Transfer to reserves

On a standalone basis, the Company does not propose to transfer any amount to the General Reserve out of the amount available for appropriation. The surplus balance in the statement of profit and loss stood at ₹2576.62 crores as at March 31, 2019.

Human resources

Tata Communications offers a dynamic work environment where its employees benefit from working with other innovators from around the globe – driving meaningful change together, both for its customers and Tata Communications. We have a multicultural workforce representing more than 47 nationalities, of which women constitute 22.5%. An ongoing gender diversity and inclusion initiative to raise this figure to at least 30% across the business – 'Winning Mix' – shows an upward curve since its inception in 2014.

Tata Communications' compensation and employee benefit practices are designed to be competitive in the respective geographies where we operate. Employee relations continue to be harmonious at all our locations. FY18-19 ended with impressive learning statistics; 83,560 person-days of learning, a 21% increase on total person-days recorded in FY17-18. Through these trainings, over 4,000 employees completed certifications in various skills.

Disclosures pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Tata Communications has zero tolerance for sexual harassment and has adopted a charter on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and complied with all provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 including constitution of Internal Complaints Committee.

During the financial year 2018-19, the Company received seven sexual harassment complaints. As at March 31, 2019, six complaints were disposed off with appropriate action. One complaint which was received towards the end of March 2019 remained pending as at March 31, 2019.

You can read more about our employee engagement and development programmes in the 'Human Capital' section of the MDA.

Risk management

The Company's Board of Directors ('Board') has formed a Risk Management Committee to frame, implement, review and monitor the Company's risk management plan and to ensure its effectiveness. The major risks identified across the business are systematically addressed and mitigated against on a continual basis.

The details of the development and implementation of the enterprise-wide risk management ('ERM') framework are covered in the MDA.

CORPORATE MATTERS

Subsidiary companies

As on March 31, 2019, the Company had fifty four (54) subsidiaries and four (4) associate companies. There has been no material change in the nature of business of the subsidiaries and associate companies.

In January 2017, Tata Communications (Netherlands) B. V., a wholly owned indirect subsidiary of the Company, had acquired a 35% stake in Teleena Holding B.V. ('Teleena'), a mobile virtual network enabler headquartered in the Netherlands, becoming its single largest shareholder, and thus, Teleena had become an associate of the Company. On October 2, 2018, Tata Communications (Netherlands) B. V. made a further investment of 65% in Teleena, consequent to which Teleena along with its four subsidiaries became indirect wholly-owned subsidiaries of the Company.

On February 21, 2019, NetFoundry Inc. was established as an indirect wholly-owned subsidiary of the Company under Tata Communications (Netherlands) B. V. to house and drive growth in the NetFoundry™ business which utilises software-based principles to enable applications to make networks, empowering developers and businesses to embed network-independent, programmable networking inside of their services using owned, leased or internet connectivity.

A statement in Form AOC-1 pursuant to the first proviso to Section 129 of the Act read with rule 5 of the Companies (Accounts) Rules, 2014 containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures forms part of this Report. The Company adopted Ind AS from April 1, 2016 and the consolidated financial statements of the Company and its subsidiaries are prepared in accordance with the recognition and measurement principles stated therein.

The financial statements of the Company, both standalone and consolidated, along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the Company's website pursuant to the provisions of section 136 of the Companies Act, 2013, General Circular No. 11/ 2015 dated July 21, 2015 issued by Ministry of Corporate Affairs and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The financial statements of the subsidiaries will be provided to any shareholder on written requests 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 during normal business hours and also at the venue of the Annual General Meeting on the day of the Meeting till the conclusion of the Meeting.

Changes to the Board of Directors and key managerial personnel

As of the date of this Report, the Board comprised of six Directors, of whom two were independent.

Ms. Renuka Ramnath, Independent Director, continues to act as the Chairperson of the Board.

Dr. Gopichand Katragadda stepped down from the Board with effect from September 11, 2018. Mr. Saurabh Kumar Tiwari tendered his resignation from the Board of the Company with effect from the close of business hours on January 30, 2019 and Mr. G. Narendra Nath resigned from directorship of the Company with effect from March 4, 2019. The Board places on record its sincere appreciation for their immense contributions and guidance to the Company during their tenure on the Board.

After obtaining necessary security clearance under the Company's TV uplinking license from the Ministry of Information and Broadcasting, Dr. Maruthi Prasad Tangirala and Dr. Rajesh Sharma , were appointed as Additional Directors on the Board with effect from March 5, 2019 as per the nominations received from the Government of India.

The Board seeks approval of the shareholders at the 33rd Annual General Meeting for confirmation of the appointment of Dr. Maruthi Prasad Tangirala and Dr. Rajesh Sharma.

Based on the recommendation of the Nomination and Remuneration Committee, the Board approved the re-appointment of Dr. Uday B. Desai, as an Independent Director for a second term commencing from August 4, 2019 to June 5, 2021, subject to approval of the shareholders.

The Board seeks approval of the shareholders via a special resolution at the 33rd Annual General Meeting for re-appointment of Dr. Uday B. Desai as an Independent Director.

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. Srinath Narasimhan retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

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 the Report on Corporate Governance.

As previously reported to the Stock Exchanges, when the Government of India (GoI) transferred 25% of its stake in the Company to Panatone Finvest Limited (Pantone) in 2002, a shareholders' agreement (hereafter 'SHA') was entered into between the parties. This agreement, inter alia, sets forth the rights and obligations of the parties in appointing Directors on the Board of the Company. The relevant clauses from the SHA were incorporated in the Company's Articles of Association, which provide that the Board shall comprise of four Independent Directors.

Till September 10, 2018, the Board comprised of seven Directors of whom two were independent. The Company continues to seek both the GoI's and Panatone's recommendation for the other two remaining vacancies for Independent Directors.

Subsequent to the resignation of Dr. Gopichand Katragadda with effect from September 11, 2018, the Board comprises of six Directors including two Independent Directors, and is compliant with the provisions of Section 149 (4) of the Companies Act, 2013 and Regulation 17 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of having one-third of the Board as Independent Directors.

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 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for being appointed as an Independent Director which form part of the Board's Report.

Number of Board meetings

Eight Board meetings were held during the FY18-19. For further details, please see the Report on Corporate Governance, which forms part of the Board's Report.

Board evaluation

The Board carried out an annual evaluation of its own performance, including that of its committees, Independent Directors and other Directors, pursuant to the provisions of the Act and the corporate governance requirements as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Input was sought from all Directors relating to criteria such as composition and structure, effectiveness of and contribution to processes, the adequacy, appropriateness and timeliness of information provided, as well as the Board's overall performance. At a meeting of Independent Directors held on March 29, 2019, the results of the evaluation were reviewed and then also discussed at a meeting of the Nomination and Remuneration Committee ('NRC'). Thereafter, the Board, based on a briefing by the Chairperson and the NRC, discussed, as a whole, the output of the evaluation.

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, is detailed in the Report on Corporate Governance, which forms part of the Board's Report.

Surplus land

As previously reported, the Company acquired its assets, including numerous parcels of land, in 1986 from the Government of India ('GoI') as the successor to the Overseas Communications Service. At the time of disinvestment to Panatone Finvest Limited ('Panatone') in 2002, a total of 773.13 acres of land was identified as surplus under the terms of the Shareholders Agreement and it was agreed that this surplus land would be demerged into a separate entity.

To accomplish the surplus land's demerger, Panatone incorporated Hemisphere Properties India Limited ('HPIL') in 2005-06 to hold the surplus land as and when it was demerged. In March 2014, the GoI acquired ~51.12% of the shares in HPIL making it a Government owned company.

On March 5, 2018, the Company filed the scheme of arrangement and reconstruction for demerger of surplus land with the National Company Law Tribunal, Mumbai Bench ('NCLT'). By order of the NCLT, a shareholders' meeting was held on May 10, 2018, at which the shareholders approved the scheme of arrangement and reconstruction for demerger of surplus land. The NCLT, vide its order dated July 12, 2018 has approved the Scheme.

As on date, the Company, GoI and Panatone continue to work toward implementation of the scheme.

STATUTORY INFORMATION AND DISCLOSURES

Material Events After Balance Sheet Date

There are no subsequent events between the end of the financial year and the date of this Report which have a material impact on the financials of the Company.

Public deposits

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

Non-convertible Debentures (NCDs)

The Company had ₹150 crores of outstanding Unsecured NCDs as at March 31, 2019. ₹5 crores of Secured NCDs were redeemed by the Company during FY18-19.

All debentures issued by the Company were rated AA+ by CARE Ratings Limited and AAA by Brickworks Ratings India Pvt. Ltd.

Particulars of loans, guarantees or investments under Section 186

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

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.

Internal financial controls

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

Particulars of contracts or arrangements with related parties referred to in Section 188 of the 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) of the Act, along with the justification for entering into such a contract or arrangement in Form AOC-2, does not form part of the Board's Report.

Audit Committee

Details pertaining to composition of the Audit Committee are included in the Report on Corporate Governance, which forms part of the Board's Report.

Corporate social responsibility

A brief outline of the Company's corporate social responsibility (CSR) policy and related initiatives undertaken during the year is set out in Annexure I of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is also available on the Company's website at www.tatacommunications.com.

Corporate governance

Pursuant to Regulation 24 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis, Business Responsibility Report, Report on Corporate Governance and Auditors' Certificate regarding compliance with conditions of corporate governance form part of the Board's Report and is also available on the Company's website at www.tatacommunications.com.

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 the Board's Report.

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 its employees.

According to the provisions of section 136(1) of the Act, the Board's Report being sent to the shareholders need not include this information as an annexure. The annexure regarding the particulars of employees 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 Annual General Meeting. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

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 is 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 2018-19:

(₹ in crores)

Non-Executive Directors	Ratio to median remuneration *
Ms. Renuka Ramnath	4.82
Mr. Srinath Narasimhan[1]	1.93
Dr. Uday B. Desai	3.20
Mr. Saurabh Kumar Tiwari[2] (up to January 30, 2019)	-
Dr. Gopichand Katragadda[1] (up to September 11, 2018)	-
Mr. G. Narendra Nath[2] (up to March 4, 2019)	-
Dr. Rajesh Sharma[2] (w.e.f. March 5, 2019)	NA
Dr. Maruthi Prasad Tangirala[2] (w.e.f. March 5, 2019)	NA
Executive Director	
Mr. Vinod Kumar	76.06

* While calculating the ratio for non-executive Directors, both commission and sitting fees paid have been taken and Directors who have not been in the Company for the entire financial year 2018-19 have not been considered for the calculations.

1. In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full-time employment of any Tata Company.

2 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.

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*
Ms. Renuka Ramnath	12.55
Mr. Srinath Narasimhan[1]	75.40
Dr. Uday B. Desai	11.36
Mr. Saurabh Kumar Tiwari[2&3] (up to January 30, 2019)	-
Dr. Gopichand Katragadda[1&2] (up to September 11, 2018)	-
Mr. G. Narendra Nath[2&3] (up to March 4, 2019)	-
Dr. Rajesh Sharma[2&3]	-
Dr. Maruthi Prasad Tangirala[2&3]	-
Mr. Vinod Kumar, Managing Director & Group CEO	37.30
Ms. Pratibha K. Advani, Chief Financial Officer	(5.12)
Mr. Manish Sansi, Company Secretary	25.16

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

1. In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full-time employment of any Tata Company

2. Directors and KMPs who have not been in the Company for the entire financial years 2017-18 and 2018-19 have not been considered for the calculations.

3. 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.

c. **The percentage increase in the median remuneration of employees in the financial year:** (12.91%)

d. **The number of permanent employees on the rolls of Company:** 5,238 employees as on March 31, 2019

e. **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:**

During the course of the year, the total average increase was approximately 7.5% for employees based in India, after accounting for promotions and other event-based compensation revisions. The increase in the managerial remuneration for the year was 21.2%.

f. **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.

Conservation of energy

The 'Natural Capital' section of the Management Discussion and Analysis describes our consistent efforts towards conservation of energy and creating a better tomorrow.

Technology absorption

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

Foreign exchange earnings and outgoings

For the purpose of Form 'C' under the Companies (Accounts) Rules 2014, foreign exchange earnings were equivalent to ₹ 546.55 crores and foreign exchange outgo was equivalent to ₹ 991.27 crores.

Statutory Auditors and their report

The Company's Statutory Auditors, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), hold office until the conclusion of the 36th Annual General Meeting, subject to ratification of their appointment by shareholders at every Annual General Meeting.

The Statutory Auditors have not reported any incident of fraud to the Company's Audit Committee in the year under review.

The Company's standalone and consolidated financial statements have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder (Ind AS) and other accounting principles generally accepted in India.

Secretarial Auditors and their report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed a practising company secretary, Mr. U. C. Shukla, (FCS No. - 2727/CP No. - 1654), to undertake the Company's secretarial audit. The report of the Secretarial Auditor in Form MR-3 for the Financial Year ended March 31, 2019 is annexed to this Report. . The Secretarial Audit Report contains the following observation:

'During the year under review, the Company has complied with the provisions of the Act, Rules Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

The Company has complied with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 except with regard to appointment of Independent Directors to the extent of 1/3rd of the total strength of the Board till 10th September, 2018.'

Board's Comment:

As previously reported to the stock exchanges, when the Government of India (GoI) transferred 25% of its stake in the Company to Panatone Finvest Limited (Pantone) in 2002, a shareholders' agreement (hereafter 'SHA') was entered into between the parties. This agreement, inter alia, sets forth the rights and obligations of the parties in appointing Directors on the Board of the Company. The relevant clauses from the SHA were incorporated in the Company's Articles of Association, which provide that the Board shall comprise of four Independent Directors.

Till September 10, 2018, the Board comprised of seven Directors of whom two were independent. The Company continues to seek both the GoI's and Panatone's recommendation for the other two remaining vacancies for Independent Directors.

Subsequent to the resignation of Dr. Gopichand Katragadda with effect from September 11, 2018, the Board comprises of six Directors including two Independent Directors, and is compliant with the provisions of Section 149 (4) of the Companies Act, 2013 and Regulation 17 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of having one-third of the Board as Independent Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19, 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), as applicable, including an audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board committees, including the Audit Committee.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirms 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 the 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.
- 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.

ACKNOWLEDGMENTS

The Directors would like to thank each one of our customers, business associates and suppliers around the world for their valuable contribution to Tata Communications' continued growth and success. The Directors recognise and appreciate the passion and commitment of Tata Communications' employees and workforce globally.

The Directors are also grateful to Tata Communications' other stakeholders and partners including our shareholders, promoters, bankers and others for their continued support.

Thank you,

On behalf of the Board of Directors

Renuka Ramnath
DIN: 00147182
Chairperson

Dated: May 8, 2019

Registered Office:
VSB, Mahatma Gandhi Road, Fort,
Mumbai – 400 001

Annexure I

ANNUAL REPORT ON CSR ACTIVITIES

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

A focused programme linked to UN SDGs

At Tata Communications, we believe that the spread of technology and global interconnections has great potential to accelerate human progress. The United Nations has identified Information and Communications Technology ('ICT') as a 'means of implementation' for its 17 Sustainable Development Goals ('SDGs'). We've therefore adopted the SDGs as an overarching framework for our CSR policy in conjunction with schedule VII, section 135 of the Companies Act, 2013. Additionally, CSR framework of the Tata Group and the organizational priorities inform the overall CSR approach.

Tata Communications' global CSR programme harnesses its expertise in digital enablement to address some of society's fundamental concerns in three priority areas – (1) education (2) employability and sustainable livelihoods (3) healthcare. These, are further mapped to the SDGs and as such, the company has prioritized the following 5 SDGs:

- SDG 3 – Ensure healthy lives and promote well-being for all at all ages
- SDG 4 – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- SDG 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- SDG 10 – Reduce inequality within and among countries
- SDG 17 – Strengthen the means of implementation and revitalise the global partnership for sustainable development

Our strategy and approach leverage core expertise, infrastructure and resources to create long-term shared value for communities, primarily the underserved such as dalits and tribals, as well as women, children and youth. In this context, Affirmative Action (AA) is a value, and key element of CSR. AA at Tata Communications is based on the philosophy of 'right thing to do' and situated within the 'Diversity and Inclusion' framework of the organization. AA policy, which is in line with Tata Affirmative Action Programme ('TAAP') focusses on providing an equal footing for Dalits & Tribals (D&T) by creating opportunities through education, employability, employment, essential amenities and entrepreneurship. Almost 37% of the total CSR budget in FY19 was invested in AA initiatives.

Monitoring and Evaluation

In 2018-19, the Company continued its partnership with nine not-for-profit organisations, five out of which received new phase of funding in this financial year, while funds for the other four projects were released in FY18 basis their workplan. These are long-term partnerships and are helmed by organisations with domain expertise and a strong sense of ethics and integrity to deliver sustainable impact. Projects are reviewed by the Board's CSR Committee and leadership within a well-defined monitoring and evaluation framework. Tata Communications uses a cloud-based tool that enables partners to upload real-time data and geo-tag photographs, in addition to regular site visits to assess the progress of projects and extend support to the partners. The Company also commissions third party impact assessments of projects that have reached a defined level of maturity, to identify gaps and measures for course correction. We synchronize our programmes with those of the Tata Group wherever possible including support for disaster relief and rehabilitation – as and when required.

The Company's CSR policy has been formalised in accordance with the requirements of the Companies Act, 2013. This policy provides that the corpus of funds allocated for CSR activities includes 2% of the average net profits of the preceding three years. Any surplus arising out of the CSR projects or programmes or activities does not form part of Tata Communications' business profits.

Awards and Recognition

Tata Communications participated in TAAP Assessment (modelled on Tata Business Excellence Model) in which it was accorded a double band jump and best practice recognition for 'Leveraging Partnerships' for Affirmative Action in December 2018.

Tata Communications was awarded 'Excellence in CSR' by Working Mother and Avtar Puthri Award in October 2018. The Company also received its first international recognition for 'Best practice in Corporate Social Responsibility' by The Singapore Human Resources Institute. We were also recognized by People Matters Total Rewards as 'Best in Employee Volunteering' and by Tata Sustainability Group for 'Highest per capita volunteering' of 4.9 hours during Tata Volunteering Week in September 2018. A total of 13,351 volunteers contributed 60,191 hours to touch more than 50,000 lives across 61 locations in India, APAC, MENA, Americas and Europe.

Making a difference: CSR deliverables 2018/19

Priority Area	Key deliverables/impact
Education	
Transforming the education system in geographies that we operate in through digital enablement, sports, educators' empowerment through leadership development, and youth engagement to create exponential social, economic and environmental impact.	40,645 beneficiaries including students, teachers and head teachers have been reached through six projects implemented by six NGO partners in Delhi NCR, Maharashtra, and Karnataka, cumulatively impacting 123 schools and colleges. These projects are multidisciplinary and improve the quality of education through digital enablement of institutions, innovative learning methods including sports, capacity building of educators, youth engagement, leadership development of students, scholarship and academic assistance given to youth from challenging backgrounds.
Employability and sustainable livelihoods	
Training young people to be industry-ready through skill development and equipping them with the right attitude and values to enhance their life conditions.	Approximately 1,531 youth have been trained in trades such as BFSI, BDO, customer relationship management, retail sales, BPO, Android application development, general duty assistant, electrician, beauty therapist, solar technician and auto sales in Delhi, Maharashtra, Tamil Nadu and Telangana. Nearly 900 young people will be placed in companies like Olacabs, Tata Motors, Bajaj Finserv, Bandhan Bank, Axis Bank, etc. Additionally, 1,730 beneficiaries, primarily women, from sustainable livelihood projects in Pune, rural Odisha and Jharkhand have set up small scale enterprises. 1,000 ultra-poor women across 4 districts in Odisha and Jharkhand are using smart phone - based customized applications in vernacular languages to enhance their livelihood, improve access to financial schemes.
Healthcare	
Creating IT infrastructure in hospitals; promoting cancer R&D; enhancing telepathology infrastructure in specialist cancer-care hospitals.	Tata Communications supported 'One Tata for Disaster Response' for Kerala disaster relief and 8 employees volunteered on ground zero to provide relief and rehabilitation across the 3 affected districts namely Coorg, Wayanad and Idukki.
Employee volunteering	
Enriching CSR projects through skills-based volunteering; channelling our employees' energy towards community action on key social and environmental issues and provide a space for their leadership development.	In FY19, 13,351 employees volunteered to contribute 60,191 hours to touch nearly 50,000 lives across 61 locations in India, APAC, MENA, Americas and Europe amounting to 4.9 volunteering hours per capita, comparable to 'Best in Class' – 3.4 to 5.3 hours per capita as per Tata Group Volunteering Performance Report FY18.

2. Composition of the CSR Committee

The Company has constituted a CSR Committee of the Board with three directors, as of March 31, 2019:

Name	Designation
Mr. Srinath Narasimhan	Chairman
Dr. Uday B. Desai	Member
Dr. Rajesh Sharma	Member

3. Average net profit of the company for last three financial years

Financial year (as per Section 198)	2015-16	2016-17	2017-18
Net profit for the year (₹ in crores)	566.75	840.48	671.99

The average net profit for the last three financial years is ₹ 693.07 crores

4. Prescribed CSR expenditure (2% of the amount in item 3 above)

- Total amount to be spent over financial year: ₹ 13.94 crores
- Amount unspent (if any): NIL
- The following table breaks down total CSR yearly spend:

Sr. No	CSR project or activity	Sector (Schedule VII)	Project or programmes 1. Local area or others 2. State and district	Amount outlay (by project) (₹)	Amount spent (₹) 1. Direct expenditure 2. Overheads	Cumulative expenditure up to reporting period (₹)	Amount spent: Direct or through Implementing agency
1	Tata Strive - a Group CSR programme on employment-linked skills development in industry specific trades for underserved youth including AA communities. Includes development of infrastructure of dedicated skills development centres.	Skills development	Pune, Mumbai, Chennai, Delhi, Hyderabad, Bengaluru	66,326,446	66,326,446	66,326,446	Implementing agency
2	Kreeda aur Shiksha - Creating digital and sports infrastructure for students and teachers to improve the school going experience.	Promoting education	Bengaluru, Karnataka	11,166,410	11,166,410	11,166,410	Implementing agency
3	A New Education Worldview (ANEW)- Transforming government schools by empowering headteachers. It also includes promotion of 21st century skills. College students are engaged as Gandhi Fellows to work with the schools.	Promoting education	Delhi NCR	38,992,362	38,992,362	38,992,362	Implementing agency

Sr. No	CSR project or activity	Sector (Schedule VII)	Project or programmes 1. Local area or others 2. State and district	Amount outlay (by project) (₹)	Amount spent (₹) 1. Direct expenditure 2. Overheads	Cumulative expenditure up to reporting period (₹)	Amount spent: Direct or through Implementing agency
4	Foundation for Academic Excellence and Access (FAEA) - providing scholarship to meritorious but underserved students for higher studies.	Promoting education	Delhi	710,590	710,590	710,590	Implementing agency
5	Udaya -Developing women entrepreneurs from AA communities		Pune	8,060,776	8,060,776	8,060,776	Implementing agency
6	Providing relief to the victims of Kerala floods	Promoting healthcare; eradicating hunger, poverty and malnutrition	Kerala Flood relief contribution	7,173,417	7,173,417	7,173,417	Implementing agency
10	Capacity building and Admin expenditure	-	-	6,970,000	6,970,000	6,970,000	Direct
	Total			**13,94,00,001**	**13,94,00,001**	**13,94,00,001**	

Note: Cumulative expenditure includes amounts allocated and disbursed towards project monitoring and evaluation.

5. Reasons for not spending the 2% of average net profits of preceding three years towards CSR

Tata Communications has spent 100% of its prescribed CSR budget for the financial year 2018-19.

6. Responsibility statement of the CSR Committee

The Company's Board of Directors is responsible for ensuring that the Company carries out its CSR obligations as per Section 135 of the Companies Act 2013. The CSR Committee appointed by the Board of Directors has formulated and recommended a CSR Policy, approved by the Board and adopted by the Company. The Board of Directors and the CSR Committee have approved the integrity and the objectivity of the information provided in the disclosure above.

Vinod Kumar
Managing Director & Group CEO
DIN: 01204665

Srinath Narasimhan
Chairman - Corporate Social Responsibility Committee
DIN: 00058133

Annexure II

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[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 1968 Fax: +9122 6639 5162 Email: investor.relations@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. TSR Darashaw Consultants Private Limited (Unit: Tata Communications Limited) 6/10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Near Famous Studio, Mahalaxmi, Mumbai – 400 011 Tel: (022) 6656 8484 Fax: (022) 6656 8494 Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.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	Telecommunications:		
	a. Activities of providing internet access by the operator of the wired infrastructure	61104	100
	b. Other satellite telecommunications activities	61309	
	c. Other telecommunications activities	61900	

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name & Address of the company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
Subsidiaries					
1.	Tata Communications Transformation Services Limited C-21/C 36, 'G' Block, Bandra Kurla Complex, Mumbai – 400098	U93090MH2006PLC165083	Subsidiary	100	2(87)
2.	Tata Communications Payment Solutions Limited C-21/C 36, 'G' Block, Bandra Kurla Complex, Mumbai – 400098	U72900MH2008PLC179551	Subsidiary	100	2(87)
3.	Tata Communications Collaboration Services Private Limited C-21/C 36, 4th Floor Tower - C, 'G' Block, Bandra Kurla Complex, Vidhyanagari Post Office, Mumbai - 400098	U72900MH2008PTC181502	Subsidiary	100	2 (87)
4.	Tata Communications Lanka Limited Garden view room, Mezzanine Floor, Taj Samudra Hotel, #25, Galle Face Centre Road, Colombo 3.	N.A.	Subsidiary	90	2(87)
5.	Tata Communications (Australia) Pty Limited Suite 306, 15 Lime Street, Sydney NSW 2000, Australia	N.A.	Subsidiary	100	2(87)
6.	TCPoP Communication GmbH Teinfaltstrasse 8, 1010 Wien, Austria	N.A.	Subsidiary	100	2(87)
7.	Tata Communications (Belgium) SPRL Avenue du Port 86C box 204, 1000 Brussels, Belgium	N.A.	Subsidiary	100	2(87)
8.	Tata Communications (Bermuda) Limited Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	N.A.	Subsidiary	100	2(87)
9.	Tata Communications Services (Bermuda) Limited Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	N.A.	Subsidiary	100	2(87)
10.	Tata Communications (Canada) Limited Suite 900, 1959 Upper Water Street, Halifax, Nova Scotia, B3J, 3N2	N.A.	Subsidiary	100	2(87)
11.	Tata Communications (Beijing) Technology Limited -Room 006, DE1,8/F, Block B, Gateway No.18 Xianguangli North Road, East Third Ring, Chaoyang District, Beijing	N.A.	Subsidiary	100	2(87)
12.	Tata Communications (France) SAS 66 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France	N.A.	Subsidiary	100	2(87)
13.	Tata Communications Deutschland GmbH Hamburger Allee 2-4, Suite 15B, 60486, Frankfurt am Main, Germany	N.A.	Subsidiary	100	2(87)
14.	Tata Communications (Guam) L.L.C. Blair Sterling Johnson Martinez & Leon Guerrero Suite 1008 DNA Building, 238 Archbishop F.C. Flores Street, 96910 Hagatna, Guam	N.A.	Subsidiary	100	2(87)
15.	Tata Communications (Hong Kong) Limited 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong	N.A.	Subsidiary	100	2(87)
16.	Tata Communications (Hungary) LLC 1138 Budapest, Népfürdö utca 22. B. ép. 13. em., Hungary	N.A.	Subsidiary	100	2(87)
17.	Tata Communications (Ireland) DAC 3rd Floor, Kilmore House Park Lane, Spencer Dock, Dublin 1, Republic of Ireland	N.A.	Subsidiary	100	2(87)
18.	Tata Communications (Italy) S.R.L Corso Vercelli 40 – 20145 Milan, Italy	N.A.	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	N.A.	Subsidiary	100	2(87)
20.	ITXC IP Holdings S.A.R.L. 46A, Avenue J.F. Kennedy, L-1855, Luxembourg	N.A.	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	N.A.	Subsidiary	100	2(87)
22.	Tata Communications (Netherlands) B.V. Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands	N.A.	Subsidiary	100	2(87)

Sr. No.	Name & Address of the company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
23.	Tata Communications (New Zealand) Limited c/o TMF Corporate Services New Zealand Ltd, Level 12, 55 Shortland Street, Auckland, 1010, New Zealand	N.A.	Subsidiary	100	2(87)
24.	Tata Communications (Nordic) AS c/o TMF Norway AS, Tollbugata 27, 0157 Oslo, Norway	N.A.	Subsidiary	100	2(87)
25.	Tata Communications (Poland) SP. Z O. O. ul Popularna 14, 02-473 Warsaw, Poland	N.A.	Subsidiary	100	2(87)
26.	Tata Communications (Portugal), Unipessoal LDA Avenida da Liberdade 224 - Edificio Eurolex, 1250-148 Lisboa Portugal	N.A.	Subsidiary	100	2(87)
27.	Tata Communications (Portugal) Instalação E Manutenção De Redes, LDA Rua Severino Falcao 14, Prior Velho, 2685 378, Loures, Lisbon	N.A.	Subsidiary	100	2(87)
28.	Tata Communications (Russia) LLC. 3 Smolenskaya Square, 121099 Moscow, Russian Federation	N.A.	Subsidiary	99.90	2(87)
29.	Tata Communications International Pte. Ltd. 18 Tai Seng Street #04-01, 18 Tai Seng, Singapore 539775	N.A.	Subsidiary	100	2(87)
30.	VSNL SNOSPV Pte. Ltd. 18 Tai Seng Street #04-01, 18 Tai Seng, Singapore 539775	N.A.	Subsidiary	100	2(87)
31.	Tata Communications Services (International) Pte. Ltd. 18 Tai Seng Street #04-01, 18 Tai Seng, Singapore 539775	N.A.	Subsidiary	100	2(87)
32.	Tata Communications (Spain), S.L. Edificio Casablanca, Avenida Doctor Severo Ochoa number 51, 4th floor, Alcobendas (Madrid), Spain	N.A.	Subsidiary	100	2(87)
33.	Tata Communications (Sweden) AB c/o TMF Sweden AB, Sergels Torg 12, 111 57 Stockholm Sweden	N.A.	Subsidiary	100	2(87)
34.	Tata Communications (Switzerland) GmbH Zurich Branch, Gesnerallee 38, 3rd Floor 8001, Zurich, Switzerland	N.A.	Subsidiary	100	2(87)
35.	Tata Communications (Taiwan) Ltd 10F, No.155, Sec. 1, Keelung Rd., Taipei City, Taiwan	N.A.	Subsidiary	100	2(87)
36.	Tata Communications (Thailand) Limited No. 89, AIA Capital Center Building, 20th Floor, Room 2005 - 2007, Suite 2023, Ratchadapisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok	N.A.	Subsidiary	100	2(87)
37.	Tata Communications (Middle East) FZ-LLC Office No. 302, Building No.12, Third Floor, Dubai, United Arab Emirates	N.A.	Subsidiary	100	2(87)
38.	Tata Communications (UK) Limited Vintners Place, 68 Upper Thames Street, London EC4V3 BJ, United Kingdom	N.A.	Subsidiary	100	2(87)
39.	Tata Communications (America) Inc. 251 Little Falls Drive, Wilmington, New Castle County, Delaware – 19808	N.A.	Subsidiary	100	2(87)
40.	Tata Communications (South Korea) Limited 134, Teheran-ro, 16th and 17th floor, Gangnan-gu, Seoul (Yeoksam-dong, Posco P &C Tower)	N.A.	Subsidiary	100	2(87)
41.	Tata Communications Transformation Services Pte Limited 18 Tai Seng Street #04-01, 18 Tai Seng, Singapore 539775	N.A.	Subsidiary	100	2(87)
42.	Tata Communications Transformation Services (Hungary) Kft. 1138 Budapest, Népfürdö utca 22. B. ép. 13. em., Hungary	N.A.	Subsidiary	100	2(87)
43.	Tata Communications (Brazil) Participacoes Limitada Av. Bernardino de Campos, No. 98, 7 floor, Room 28, Zip Code 04004-040	N.A.	Subsidiary	100	2(87)
44.	Nexus Connexion SA Central Office Park No 4, 257 Jean Avenue, Centurion, Gauteng, 0157	N.A.	Subsidiary	100	2(87)
45.	Tata Communications Transformation Services (US) Inc 3500 South DuPont Highway in the city of Dover, County of Kent, Zip Code 19901	N.A.	Subsidiary	100	2(87)
46.	Tata Communications Comunicações E Multimídia (Brazil) Limitada Avenida Francisco Matarazzo 1752, 15th floor, Suite 1505, Agua Branca District, Sao Paulo, 05001-200	N.A.	Subsidiary	100	2(87)

Sr. No.	Name & Address of the company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
47.	Sepco Communications (Pty) Limited 269 Oxford Road, Illovo 2196	N.A.	Subsidiary	73.17	2(87)
48.	Tata Communications Transformation Services South Africa (Pty) Ltd 1st Floor, Building 15, The Woodlands Office PA, Woodmead, Gauteng 2191	N.A.	Subsidiary	100	2(87)
49.	Tata Communications MOVE B.V. (Formerly known as Teleena Holding B.V.) Zoomstede 19, 3431HK, Nieuwegein, the Netherlands	N.A.	Subsidiary	100	2(87)
50.	Tata Communications MOVE Nederland B.V. (Formerly known as Teleena Nederland B.V.) Zoomstede 19, 3431HK, Nieuwegein, the Netherlands	N.A.	Subsidiary	100	2(87)
51.	Tata Communications MOVE UK Limited (Formerly known as Teleena UK Limited) New Derwent House, 69-73 Theobalds Road, London, WC1X 8TA	N.A.	Subsidiary	100	2(87)
52.	Tata Communications MOVE Singapore Pte. Ltd. (Formerly known as Teleena Singapore Pte. Ltd.) 3791 Jalan Bukit Merah, #10-01, E-Centre @ Redhill, Singapore 159471	N.A.	Subsidiary	100	2(87)
53.	MuCoso B.V. Zoomstede 19, 3431HK, Nieuwegein, the Netherlands	N.A.	Subsidiary	100	2(87)
54.	NetFoundry Inc. 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808	N.A.	Subsidiary	100	2(87)
Associates					
1.	STT Global Data Centers Private Limited (Formerly known as Tata Communications Data Centers Private Limited) 5th Floor, Tower B, C-21 & C-36, 'G' Block, Bandra-Kurla Complex, Mumbai - 400 098	U74999MH2007PTC176737	Associate	26	2(6)
2.	STT Tai Seng Pte Limited 1 Temasek Avenue #33-01, Millenia Tower Singapore 039192	N.A.	Associate	26	2(6)
3.	United Telecom Limited 1st Floor, Triveni Complex, Putalisadak, Kathmandu, Nepal	N.A.	Associate	26.66	2(6)
4.	Smart ICT Services Private Limited Block 48, Zone 4 Gyan Marg GIFT City Gandhinagar Gujarat 382355	U72900GJ2013PTC073187	Associate	24	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 (April 1, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF									
b) Central Govt	74,446,885	-	74,446,885	26.12	74,446,885	-	74,446,885	26.12	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	139,286,330	-	139,286,330	48.87	139,260,493	-	139,260,493	48.87	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**213,733,215**	**-**	**21,373,3215**	**74.99**	**213,707,378**	**-**	**213,707,378**	**74.99**	**-**

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter and Promoter Group (A)	**213,733,215**	**-**	**213,733,215**	**74.99**	**213,707,378**	**-**	**213,707,378**	**74.98**	**-0.01**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	8,488,964	300	8,489,264	2.98	1,333,533	300	1,333,833	0.47	-2.51
b) Banks / FI	29,474	-	29,474	0.01	66,357	-	66,357	0.02	0.01
c) Central Govt	525,000	-	525,000	0.18	765,170	-	765,170	0.27	0.08
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	5,331,537	-	5,331,537	1.87	4,839,659	-	4,839,659	1.70	-0.17
g) FIIs	373,061	-	373,061	0.13	357,694	-	357,694	0.13	-0.01
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)- Foreign Portfolio Investors	39,769,761	-	39,769,761	13.95	51,378,291	-	51,378,291	18.03	4.07
Sub-total (B)(1)	**54,517,797**	**300**	**54,518,097**	**19.13**	**58,740,704**	**300**	**58,741,004**	**20.61**	**1.48**
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	1,625,326	121	1,625,447	0.57	596,243	120	596,363	0.21	-0.36
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	7,910,192	127,283	8,037,475	2.82	6,213,051	107302	6,320,353	2.22	-0.60
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	4,058,654	-	4,058,654	1.42	3,208,027	-	3,208,027	1.13	-0.30
c) Others (Specify)									
Clearing Members	865,816	-	865,816	0.30	710,828	-	710,828	0.25	-0.05
Limited Liability Partnership - LLP	335,586	-	335,586	0.12	106,430	-	106,430	0.04	-0.08
Non-Resident Indian	1,112,586	150	1,112,736	0.39	1,091,152	150	1,091,302	0.38	-0.01
HUF	496,264	-	496,264	0.17	354,525	-	354,525	0.12	-0.05
Trust	5,033	-	5,033	-	1,500	-	1,500	-	-
BC-NBFC	2,978	-	2,978	-	449	-	449	-	-
BC NON NBFC	50	-	50	-	50	-	50	-	-
Foreign Bodies	168,106	-	168,106	0.06	107,106	-	107,106	0.04	-0.02
IEPF	40,543	-	40,543	0.01	54,685	-	54,685	0.02	-
Clearing Members	865,816	-	865,816	0.30	710,828	-	710,828	0.25	-0.05
Sub-total (B)(2)	**16,621,134**	**127,554**	**16,748,688**	**5.88**	**12,444,046**	**107,572**	**12,551,618**	**4.40**	**-1.48**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**71,138,931**	**127,854**	**71,266,785**	**25.01**	**71,184,750**	**107,872**	**71,292,622**	**25.01**	**0.00**
C. Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**284,872,146**	**127,854**	**285,000,000**	**100.00**	**284,892,128**	**107,872**	**285,000,000**	**100.00**	**-**

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2018)			Shareholding at the end of the year (March 31, 2019)			% change in shareholding 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	85,776,654	30.10	-	99,172,854	34.80	-	4.70
2.	Tata Sons Private Limited	40,087,639	14.07	2.39	40,087,639	14.07	2.39	-
3.	The Tata Power Company Limited	13,422,037	4.70	-	-	-	-	-4.70
4.	President of India	74,446,885	26.12	-	74,446,885	26.12	-	-
	Total	**213,733,215**	**74.99**	**2.39**	**213,707,378**	**74.99**	**2.39**	**-**

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

Sr. No	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2018)		Date	Reason	Increase / (Decrease) in Shareholding		Cumulative Shareholding during the year (March 31, 2018)	
		No. of shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Panatone Finvest Limited	85,776,654	30.10	June 1, 2018	Transfer of shares	13,396,200	4.70	99,172,854	34.80
2	The Tata Power Company Limited	13,422,037	4.70	June 1, 2018	Transfer of shares	(13,396,200)	4.70	25,837	0.009
				June 22, 2018	Transfer of shares	(1,000)	0.00	24,837	0.009
				July 13, 2018	Transfer of shares	(24,837)	0.01	-	-

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 (April 1, 2018)		Cumulative Shareholding at the end of the year (March 31, 2019)	
		No. of shares	% of shareholding	No. of Shares	% of shareholding
1.	East Bridge Capital Master Fund I Ltd	4,58,445	0.16	1,43,17,080	5.02
2.	Amansa Holdings Private Limited	51,64,228	1.81	52,68,224	1.85
3.	Government Pension Fund Global	40,93,255	1.44	45,94,803	1.61
4.	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	1,40,303	0.05	43,25,207	1.52
5.	Life Insurance Corporation Of India	32,94,289	1.16	32,94,289	1.16
6.	Baron Emerging Markets Fund	42,55,898	1.49	32,62,071	1.14
7.	Wf Asian Reconnaissance Fund Limited	-	-	21,96,500	0.77
8.	Jhunjhunwala Rekha Rakesh	20,00,000	0.70	20,00,000	0.70
9.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	14,93,273	0.52	13,76,889	0.48
10.	Fiam Group Trust for Employee Benefit Plans - Fiam Emerging Markets Commingled Pool	13,92,698	0.49	13,56,948	0.48
11.	Fil Investments (Mauritius)Ltd	29,73,726	1.04	12,60,872	0.44
12.	Morgan Stanley France S.A.	18,02,518	0.63	35,000	0.01
13.	Aditya Birla Sun Life Trustee Private Limited	1,78,400	0.06	-	-

* 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 (April 1, 2018)		Cumulative Shareholding at the end of the Year (March 31, 2019)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
			NIL			

V. Indebtedness

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

(₹ in crores)

	Secured Loans excluding deposits[1]	Unsecured Loans[2]	Deposits[3]	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	368.90	-	368.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	0.88	-	0.88
Total (i+ii+iii)	**5.10**	**369.8**	**-**	**369.78**
Change in Indebtedness during the financial year				
- Addition	-	0.42	-	0.42
- Reduction	-	-67.76	-	-67.76
Net Change	**-**	**-67.34**	**-**	**-67.34**
Indebtedness at the end of the financial year				
i) Principal Amount	-	301.14	-	301.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.31	-	1.31
Total (i+ii+iii)	**-**	**302.45**	**-**	**302.45**

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	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	769.29	769.29
	(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)**	**769.29**	**769.29**
	Ceiling as per the Act (@5% of profits calculated under Section 198 of the Companies Act, 2013)		**1,960.98**

*Mr. Vinod Kumar as a Chief Executive Officer of one of the Company's wholly owned foreign subsidiary, Tata Communications Services (International) Pte. Ltd., has also received a remuneration of ₹1,589.24 lakhs (SGD3,112,589) during the year from that subsidiary.

B. Remuneration to other directors:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors				
	Ms. Renuka Ramnath	8.50	40.30	-	48.80
	Dr. Uday B Desai	9.75	22.60	-	32.35
	Total (1)	**18.25**	**62.90**	**-**	**81.15**
2	Other Non-Executive Directors				
	Mr. Srinath Narasimhan[1]	3.40	16.14	-	19.54
	Mr. Saurabh Kumar Tiwari[2] (up to January 30, 2019)	-	10.33	-	10.33
	Dr. Gopichand Katragadda[1] (up to September 11, 2018)	0.60	3.87	-	4.47
	Mr. G. Narendra Nath[2] (up to March 4, 2019)	-	13.56	-	13.56
	Dr. Rajesh Sharma[2] (w.e.f. March 5, 2019)	-	3.87	-	3.87
	Dr. Maruthi Prasad Tangirala[2] (w.e.f. March 5, 2019)	-	2.58	-	2.58
	Total (2)	**4.00**	**50.35**	**-**	**54.35**
	Total (B)=(1+2)	**22.25**	**113.25**	**-**	**135.50**
	Ceiling as per the Act (@1% of profits calculated under Section 198 of the Companies Act, 2013)				392.19

1 In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full-time employment of any Tata Company.

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

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Manish Sansi Company Secretary	Ms. Pratibha K. Advani CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	166.46	310.32	476.79
	(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)**	**166.46**	**310.32**	**476.79**

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 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

In an era of changing consumer behaviour and technology-driven transformation, Tata Communications continues its evolution by providing best-in-class global digital infrastructure services. While the global economy registered a growth rate of 3.7%, India continued to be the world's fastest growing economy with a growth rate of 6.8% in 2018-19.

While the global economy was disrupted due to geo-political tension across economies and on-going trade wars, Globalisation 4.0 is set to be driven by the Fourth Industrial Revolution. This is happening right now with the development of advanced technologies including the Internet of Things ('IoT'), edge computing, the cloud, advanced data analytics, artificial intelligence ('AI'), machine learning, nano technology, 3D printing and autonomous vehicles. It has led to trends such as automation and data exchange which have the potential to significantly impact global productivity and provide the key to business sustainability. This will also enable organisations to become more inclusive, create jobs and be more equitable.

On the domestic front, the Indian economy has taken big strides to shift towards a digital based economy. Increases in internet access and the usage of smart phones have led to a boost in the adoption of digital technologies across India. The country's digital infrastructure is coming to life through a combination of policy making and technological innovation. Its technology industry is valued at around US$ 150 billion, while the Digital India plan is predicted to boost GDP by up to US$ 1 trillion by 2025.

INDUSTRY OVERVIEW

Technology sector

Technology plays a vital role in the growth and success of any business. As a result, organisations, irrespective of the industry in which they operate, strive to transform their business models and operations by adopting the latest technologies. This enables them to reduce cost as well as increase operational efficiency.

New platforms, such as IoT, edge computing, the cloud, advanced data analytics, AI, and machine learning, and their applicability in various industries, including automotive, advanced supply chains, e-commerce, industrial manufacturing and telecom, have changed the shape of businesses. These trends have led organisations on a digital transformation journey by accelerating experimentation, innovation and agility.

The digital transformation of organisations has been fuelled by the adoption of cloud-based technologies. They provide platforms for organisations to connect their devices remotely and store massive amounts of information. As a result, the majority of organisations have moved their IT system to the cloud as a part of their digital journey. As a next phase, organisations are adopting or planning to adopt a hybrid cloud model (a mix of on-premise and public/private cloud) as a strategic shift for cost optimisation and improving efficiency to innovation driven operations enabling them to enhance consumer experience.

Key trends impacting our industry

Tata Communications operates in a market context which continues to evolve rapidly. The enterprise landscape is changing, underpinned by the need for digital transformation. Digital transformation is happening across all layers of enterprise IT – with infrastructure becoming invisible, cloud becoming dominant, data driving new business models and security requirements changing from reactive to proactive. Changes are happening across technology, with consumer preferences leading to a new breed of competition.

Evolving technology landscape

- Platform economy is on the rise. An increasing number of businesses are starting to adopt platform business models and digital strategies in order to remain competitive. APIs are becoming a must for telcos to stay relevant in the 'platform era'.
- The overlay/orchestration layer is becoming increasingly important in enterprise IT, which is giving rise to a new breed of players focused only on managed services.
- Enterprises today are adopting a 'mobile first' approach - mobile represents the highest scale consumer tech worldwide and it is estimated that there will be nearly 6 billion mobile subscriptions by 2025. Enterprise mobility is also becoming a big opportunity driven by the needs of business users.
- IoT will become mainstream - around 25 billion connections are expected by 2025 globally. IoT offers a unique avenue for companies like ours to enable connectivity and related services, such as analytics and applications to end-users.
- Enterprise customers also continue to invest in cloud and cloud-related services, which now form approximately one-third of their IT budgets. As cloud adoption rises, enterprises are moving from private networks towards internet/ hybrid networks.
- Demand for software defined networking ('SDN'), network function virtualisation ('NFV'), self-organising networks ('SON') and cloud-based solutions is expected to accelerate further.
- With the explosion in connected devices, security is becoming critical.

With the increased usage of internet in devices and applications, IoT is estimated to reach 2 billion connections, and a revenue of US$ 11.1 billion by 2022 in India. Connectivity has moved beyond people to connect billions of devices, vehicles, household appliances and machines. It has become an integral part of every business model in every industry, as it makes processes easier and faster. The Government of India ('GoI') aspires to propel, connect and secure India's digital economy through the National Digital Communications Policy ('NDCP') 2018. The policy aims at changes that go beyond the paradigm of telecoms to embrace opportunities across India's digital ecosystem. However, as connectivity increases for people and devices, data security and privacy have become a prime concern for all organisations. As a result, there has been an emergence of technologies like blockchain and biometrics that provide ways to manage and secure information. Companies are proactively managing their cybersecurity by working with tech companies that have more extensive experience and resources.

NDCP 2018 target by 2020

50 Mbps
Universal broadband connectivity

10 million
Public Wifi Hotspots

60%
Telecom tower fiberization

5 billion
Connected IoT ecosystem

(Source: EY report: Propelling India to a trillion dollar digital economy)

Telecom market

During the year under review, the global telecom market stood at US$ 1.49 trillion. Of this, the share of enterprise segment was 29% of the total market size. In the enterprise segment, fixed line services contributed 52% of the value, while the remaining 48% was contributed by mobile services. (Source: Gartner Forecast – 2019 Q1 update)

Over the last two decades there has been a paradigm shift in connectivity. The first generation of mobile networks was all about voice and gradually evolved to data and its applications. Additionally, connectivity was largely within the enterprise and maybe to their supply chain partners. However, when we talk about connectivity today, it is truly multifaceted and all encompassing. It is about video and mobility, the need to be always on, and about including all constituents from suppliers, to partners, and finally to end consumers.

India is currently the world's second-largest telecommunications market, having a subscriber base of around 1.17 billion. Owing to rapid expansion taking place in the Indian mobile economy, it is expected to contribute substantially to India's GDP. The subscriber base is also widening on account of increasing mobile network coverage and competition-induced tariff reductions. These factors coupled with growing broadband internet access and smartphone proliferation have positively impacted demand. With exponential growth in video consumption, enterprises are also taking a mobile-first approach.

The government has also introduced initiatives such as Digital India and Smart Cities mission which will provide further impetus to the digital sector. Its National Digital Communications Policy 2018 drives the growth in the sector with special focus on strengthening the fibre infrastructure to support emerging technologies like 5G, IoT and M2M communications.

(Source: IBEF – Telecom Industry in India)

The telecom sector witnessed rapid decline in the profitability of established traditional telecom players resulting in accelerated industry consolidation – particularly in the consumer mobile space. This has led to consolidation of fibre assets and disinvestments across the network space. Further, the revenue growth in the sector is expected to be offset by severe price erosion, especially for basic voice and connectivity services, a situation further aggravated by competition from OTT (over-the-top) players.

Customer trends

In a world that is becoming more globalised, businesses are realising that they can no longer operate in a silo. Globalisation has, in many ways, been influenced by the Fourth Industrial Revolution – technologies such as AI and IoT mean we are now sharing more data around the world than ever before. Businesses are also sharing products and sourcing materials from further afield. Technology is at the centre of enabling purposeful, transformative change against this backdrop. There has also been a shift in technology and consumer preferences leading to a new breed of competition.

Greater competition

The operating environment continues to be highly competitive owing to the following factors:

- OTTs such as Amazon, Microsoft, Google etc. are growing into the conventional telecom space with bundled cloud and network offerings. These tech-mammoths are presently competing with operators for business and customer relationships.
- System Integrators ('SIs') too, are competing with conventional telecom players for overseeing customer relationships, as they continue to grow their managed services portfolio.
- New players are entering the market with digital customer experience.
- There is increased competition from conventional telecom companies, especially in India, following the telecom sector consolidation that took place in FY18 and FY19.

ORGANISATION OVERVIEW

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

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

Tata Communications' capabilities are underpinned by its global network, which is the world's largest wholly owned subsea fibre backbone and a Tier-1 IP network.

Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India. Along with its globally established subsidiaries and associate companies, Tata Communications serves customers in more than 200 countries and territories worldwide through its technology capabilities and partnerships.

Vision, Mission, Values and Strategy

Vision

To Deliver a New World of Communications™ to advance the reach and leadership of our customers and partners as a leading global digital infrastructure provider.

Mission

To enable enterprises to succeed in the New World of Digital (technologies and business models) by being borderless and always available (to our customers and partners).

Values

Strategy

Our industry today is going through huge transformations. The boundaries between traditional telecom and technology players are blurring with the merging of connectivity with cloud services, and we are witnessing the expanded use of mobile devices, the explosion of platforms and application programme interfaces ('APIs'), AI, and the growth of connected devices through IoT, to name but a few.

These trends are shaping the needs and behaviours of our customers, redefining the technologies of our suppliers and partners, and accelerating the required pace of change of our processes and operations. Against this backdrop, our primary opportunity is to reinvent ourselves as a leading global digital infrastructure services provider and stay ahead of these major digital transformation trends. This will allow Tata Communications to play a more active role in our customers' connectivity realm, especially with the introduction of our mobility and IoT offerings.

Intellectual and Manufacturing Capital

Segment distribution

In our bid to sustain profitability and margins, we continue to diversify our revenues, capitalising on emerging opportunities, new possibilities and mitigate the risk of being over-dependent on a concentrated portfolio or any one geography. With revenues categorised and spread across the segments of voice and data services, we have been focused in catering to segments pertaining to mobility, IoT, media and entertainment, financial services and healthcare.

During the year under review, consolidated revenue of Tata Communications' voice services business contributed 32% of the total revenue, while data service business contributed 68% of the total revenue.

Global structure

We have consolidated our business structure into differentiated customer segments to cater to markets across the globe. With a view to offer optimum value through our operations, we have implemented within these structural units certain initiatives that are designed to:

Improve the customer experience

Define and create a common culture

Grow capabilities and revenues from growth services

Implement next-generation network architecture for converged services

Enhance overall operating efficiency

Company segmentation

Operations of Tata Communications are categorised into two major segments, namely, voice solutions and data services. Our business and revenues are further distributed across various business segments, customer profiles and topographies. Being a key global player in the industry space we operate, we offer services to two customer segments:

Service providers

Enterprises

Service providers

Offering

An integrated set of services covering:

- Wholesale voice
- Domestic and international data connectivity
- Internet backbone connectivity (IP transit)
- Value-added roaming services for mobile operators
- Carrier-specific business process outsourcing services

Key benefits

We provide platforms which are reliable for service providers. As an innovator, we keep our customers' business relevant and in-tune with market dynamics and end-user demands.

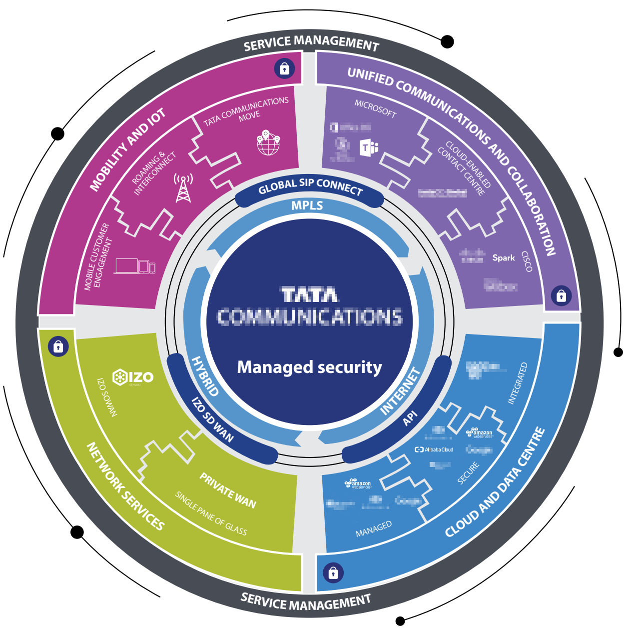
Enterprises

Offering

We offer a comprehensive suite of integrated managed digital services, including connectivity, IT infrastructure and managed hosting, communication and collaboration solutions for enterprises seeking voice, data and video connectivity between their distributed offices – within India and/or globally.

Key benefits

These services help enterprises derive greater operational business efficiencies by adapting latest networking and IT technologies, on a managed solutions basis. We also design, build and deliver industry-specific solutions, such as banking and financial services, media and entertainment and so on.



Products and services – overview

Tata Communications' portfolio of network, cloud, mobility, security and collaboration services help our customers stay ahead of their competition by embracing digital transformation and adopting cutting-edge technology. All Tata Communications' products and services are underpinned by our global network. It includes one of the most advanced and largest submarine cable networks, which carries around 30% of the world's Internet routes, connects businesses to 60% of the world's clouds, and enables businesses to reach more than 240 countries and territories.

Main business segments: voice and data

Voice

We continue to be one of the largest players worldwide in the wholesale voice industry. Despite the global decline of this market, we continue to hold the leader position in this business.

#1

Voice in 20 years

27.5 billion

Minutes of international voice minutes serviced in FY19

Data

We are a data services industry leaders in India and an emerging challenger globally. With cloud, security, mobility and IoT rounding out our innovative products portfolio, we continue our quest to becoming a global digital infrastructure services provider.

- **Traditional data services portfolio**

Carrier data

Tata Communications is one of the world's leading wholesale providers of data, IP and mobile signalling services. The Tata Global Network ('TGN') and our investments in multiple consortium submarine cables enable us to provide seamless global connectivity services across all major business hubs.

4 out of 5

Mobile subscribers in the world are connected through our network

Largest network of its kind

Operates the largest wholly owned and most advanced subsea fibre network which underpins the internet backbone, carrying around 30% of the world's internet routes.

- **Growth and Innovation services portfolio**

Data centre and cloud services

Tata Communications' IZO™ cloud enablement platform is an ecosystem of cloud providers, regional Internet service providers, and SD-WAN technology providers. It includes the IZO™ Internet WAN service that gives businesses the reliability, flexibility and predictability of a private network with the global reach and scalability of the Internet, through collaboration with different ISPs. The IZO™ Private Connect service, and its global interconnect agreements with Amazon Web Services, Microsoft Azure & Office 365, Google Cloud, Alibaba, Salesforce, IBM, Oracle, and SAP, connects businesses across network, cloud services and data centres over MPLS and Ethernet through one single provider globally. IZO™ Hybrid WAN powerfully integrates IZO™ Internet WAN and Global MPLS VPN with innovative application management tools and security services to bring greater flexibility and resilience to business networking.

Managed Security Services

As part of our long-term commitment to offering global security services with deeper local expertise, Tata Communications unveiled four state-of-the-art advanced cyber security response centres in Pune, Singapore, Chennai and Dubai with an aim to be a one-stop partner for managing cyber risks, globally, while providing regional knowledge and expertise. Tata Communications' proactive approach using real-time security analytics allows us to provide customers with advanced intelligence that enables them to keep their cloud operations secure across all points of access.

Tata Communications' comprehensive portfolio of cyber security services are built on its multi-layered, integrated, secure and trusted security framework.

With a team of more than 300 highly skilled security specialists, Tata Communications' portfolio includes cloudbased offerings to match varying business demands.

60%

Connects businesses to 60% of the world's cloud giants

Unified communication and collaboration services

Tata Communications provides collaboration and unified communication solutions for enterprises, as well as service providers. These include calling services; SIP trunking services; conferencing services (voice, data, web, video); and hosted contact centre services.

Our world-class global Unified Communications as a Service ('UCaaS') brings our customers the full power of Skype for Business™. Our global relationships with more than 1600 carriers ensure state-of-the-art communication and collaboration wherever in the world you conduct business.

Media and entertainment services

Tata Communications offers customised network solutions and managed services to the media and entertainment industry. Our strategy in this space is to create the world's richest, connected, open video ecosystem providing business-to-business video services, cloud-based services and flexible, modular, managed services.

Tata Communications' world-leading cloud-based media ecosystem connects content producers with technology providers, distributors and consumers.

- 300 media hotspots in 125 cities
- 3 of the 5 most visited video sites
- 5 of the 5 most visited social media sites

Enterprise mobility and Internet of Things

Our strategy to develop the mobility business further into enterprise mobile and Internet of things ('IoT') started in 2017 with the launch of Tata Communications MOVE™. The service has gained significant customer adoption and grown strongly since launch. Tata Communications MOVE™ combines access to pervasive cellular connectivity with over 600 mobile networks across 190+ countries, coupled with a programmatic API based Platform-as-a-Service communications model. It is now well established as a leading multi-network connectivity platform for cellular based IoT services.

The service has gained significant customer adoption and grown strongly since launch, with around 200 customers in 5 continents.

India IoT

Tata Communications' IoT offering is at the core of the Indian market, playing a pivotal role in the business transformation of public and private enterprises across sectors.

Over the past two years, Tata Communications has invested in developing IoT infrastructure, software and solutions capabilities for Indian customers. We have already rolled out a dedicated IoT network and platform spanning 45 cities including major highways. Today, Tata Communications offers end-to-end IoT solutions by integrating various elements that go into an IoT solution - devices, connectivity, platform and applications. Tata Communications has also invested in developing state-of-the-art capabilities in device design and application development for focused segments like smart lighting, worker productivity and safety, and asset tracking.

Through its managed IoT solutions, Tata Communications accelerates customers' IoT journey. Our complete suite of industry-wide, business-ready solutions spanning across monitoring, metering and tracking use cases are targeted to enhance customer resource efficiency. We are already executing large projects for connected workers, energy monitoring, asset protection etc.

400Mn

The expected number of people to be touched with our Internet of Things network in India.

Additional highlights:

- Official Connectivity Provider of Formula 1® to deliver flawless broadcast media for millions of fans, introduce 36x faster connectivity at every race and successfully test the first ever feed with no time lag between live broadcast and footage viewed on a second-screen app.
- Official Managed Connectivity Supplier to Mercedes-AMG-Petronas Motorsport to deliver high-speed, high quality and secure trackside connectivity.
- As the Official Digital Transformation Partner of ROKiT WILLIAMS RACING, Tata Communications enables real-time data transfer between the F1 team's pitlane garage at all Grands Prix and its factory in the UK.

Our network enables split-second decision making

36x

faster trackside connectivity

2-way

real-time data analysis and decision making

Live global data transfer capability in under a

quarter of a second

- As the Official Video Distribution Partner for the FIM MotoGP™ World Championship and Superbike World Championship ('WorldSBK'), Tata Communications is working with Dorna Sports to distribute the motorcycle road racing action from five continents to over 80 media partners, reaching over 200 million households, using its global superfast fibre and satellite network.
- As the Official Global Connectivity Supplier of the European Tour, Tata Communications is enabling the scale, diversity and speed needed to deliver the most immersive digital viewing experience of pro golfing ever including a successful live test of 360° video and more - to bring fans a truly connected tournament experience.

Business excellence

Tata Communications leverages the Tata Business Excellence Model ('TBEM') which is drawn up on the lines of Baldridge Excellence Framework, to facilitate systematic evaluation and improvement of performance and attain higher levels of efficiency in our business operations.

The TBEM has provided us with a framework for achieving business excellence across multiple parameters covering Leadership, Strategy, Customer, Measurement, Analysis & Knowledge Management, Workforce, Operations and Business Results.

The model requires us to go through a rigorous assessment of our key processes and associated results every two years. The last assessment was conducted in 2018 by a team of senior Tata executives under the aegis of the Tata Business Excellence Group (a division of Tata Sons). Tata Communications has made its place in the 'Emerging Industry Leader' category, which indicates effective, systematic, well-deployed processes that are periodically evaluated and improved.

Relationship Capital

Materiality: What matters the most?

Tata Communications engages with a diverse range of external and internal stakeholders across all parts of our business. Our business teams including Operations, Sales, Investor Relations, Legal & Corporate Secretarial, Corporate Communications, Corporate Social Responsibility, Environment, Occupational Health and Safety, and Corporate Services, work closely with their associated stakeholder groups such as investors, regulatory bodies, shareholders, employees, community, industry bodies and civil society to monitor material aspects that interest stakeholders.

Our teams systematically engage stakeholder groups and obtain their opinion with regards to what is most important for the organisation. The assessment provides critical clarity about how we should focus our resources, reporting and communications.

In 2017, the organisation consulted with a number of different groups to gauge opinion which would be helpful in shaping our strategy. These included:

- A formal consultation exercise supported by an external agency to engage with our internal stakeholders.
- Interviews with employees who manage external stakeholder groups to better understand those groups' views.
- Workshops, interviews and ranking exercises with internal leaders and managers of specific operational teams to get management's perspective. This helped guide consensus and prioritise the material issues to be managed, measured and disclosed through our sustainability reporting process.

The results provided us with a deeper insight on the areas, which according to the stakeholders need to progress and be acted upon. The most key material aspects included:

- **Data privacy & security**
- **Customer satisfaction & loyalty**
- **Human capital development**
- **Corporate governance & ethics**
- **Health, safety & wellbeing**
- **Community development**

Our internal teams are working towards each of these aspects and have identified programmes and KPIs, which they are reporting and communicating through different channels to relevant stakeholders.

A forward-thinking approach

Tata Communications is an industry leader in building a digitally strong infrastructure that delivers an unmatched experience for our customers. We empower our customers' digital future today with the following approach:

What we do

We provide globally managed services that enable enterprises to succeed in the New World of Digital (technologies and business models) by being borderless and always available (to customers and partners) with:

- Our services
- Our platforms
- Our partners
- Our people

Our strategy

We foster to build an environment that empowers our team to be an integral part of our strategy-execution phase. Our strategy building blocks are divided into three business focus areas:

- Employee success
- Customer success
- Profitable growth

Make the Internet fit and secure for business

Be a global leader in cloud enablement

Drive innovation in security solutions

Provide cross-border IoT & mobility solutions for enterprises

- Customer-driven solutions
- World-class service
- Innovation in operations & services
- Co-creating & GTM with partners
- Empowering & reskilling people

These focus areas lay the foundation of our business strategy that is designed to enable us to serve large enterprises in India and globally to succeed in the New World of Digital (technologies and business models) by being borderless and always available to customers and partners with:

Globally available digital infrastructure (Connectivity – wired and wireless, collaboration, cloud infrastructure, mobility and cyber security), for humans and machine, that is

Designed for high availability to support an always-on digital world and easy integration between service components and with the customer environment, and delivered with

Highly automated and personalised customer experience, designed and serviced by

Talent that is multi-dimensional in technical and functional skills

We plan to generate investments in services through leading technological innovations and seek to better our existing offerings and optimise our assets. Through these improvements, we expect an increase in demand for our services and expansion of our market presence as well. Our strategy is focussed on:

1. **Innovating products, solutions and new commercial models**

- **Continue to provide the network and platform components** to deliver the solutions that help large service providers and enterprises to meet their technical and strategic goals.
- **Invest in high return on invested capital ('ROIC') services that leverage our existing network infrastructure** and are more software-oriented, so that we can transform into an 'asset-light' model.
- **Transition from commodity network services to stickier Growth Services -** We are and will continue to develop and introduce new products and services in line with customer requirements, such as cross border mobile connectivity, IoT solutions, data and security services, and enabling infrastructure for Big Data and augmented reality.
- **Leverage our industry-recognised global network backbone** and build relevant services that meet customer requirements. We will also be progressively investing in innovation and R&D to enable the shift to a software-defined network, providing integrated network, compute and storage services, and enabling our customers' mobile-first approach.
- **Offer hybrid network and cloud infrastructure solutions** that leverage public and private infrastructure to accommodate the changing enterprise IT landscape.
- **Offer borderless solutions for enabling enterprises mobility** supported by our 600+ relationships with mobile operators around the globe.

2. **Deepening market penetration with focused customer acquisition**

- **Increase penetration of existing high value customer accounts** through our Growth Services portfolio and enter newer high growth segments.
- **Focus expansion on select international markets** to meet our value-creation philosophy.
- **Align our sales model** so that our channel and coverage - direct sales, digital desk and partnerships is aligned to the customer base. Focus is on optimising and accelerating incubation of new logos, while increasing average PPR ('product penetration ratio') in existing accounts.

3. **Transform ourselves [process, technology, skills]**

- Become digitally enabled internally and externally
- Improve cost structure and customer experience
- Sharpen real-time business analytics and tighten controls.

4. **Forge and strengthen strategic partnerships:**

- **Work with partners in service creation** - expanding geographical coverage to access more customers. We look to partner with solution partners, network partners, resellers and system integrators. Our partnership programme is designed to help all parties meet their business goals while playing an integral part in customer solutions that offer end-to-end services.
- **Leverage our extensive network, partner and customer relationships** by offering industry-specific solutions for the media and entertainment, banking and financial services, and healthcare sectors.

Social Capital

Tata Communications contributes to sustainable development and creates a better future through its corporate social responsibility ('CSR') policy. We are focused on having a positive impact on the economy, community and the environment, built on the foundation of integrity and good corporate governance. We aim to create value for all our stakeholders by striking the right balance between people, the planet and profits by connecting global and local megatrends with initiatives that leave a positive impact.

We believe that technology plays a significant role in accelerating human development with a potential to resolve global challenges. Our Sustainable Development Framework is aligned to the Ten Principles of the United Nations Global Compact and the UN's Sustainable Development Goals ('SDGs'). To position Tata Communications for long-term success, we approach each social and environmental challenge in a way that it creates value for all its customers, employees and shareholders. We are committed to creating value through the economic development of the countries where we operate. Accordingly, we undertake no such projects or activities, which are detrimental to the interest of the communities. Our management practices adhere to the Tata Code of Conduct, which benefits countries, localities and communities as much as possible. While working towards the benefit of community at large, Tata Communications respects the culture, customs and traditions of each country and region where it operates.

Supporting the community - CSR

In alignment with the sustainability philosophy of the Tata group, Tata Communications' values are designed to work towards enhancing the quality of life of the communities we serve, by creating value for the long term. Impact assessment is a crucial element for CSR initiatives of Tata Communications and is integrated into the design of the projects. It is done through:

Social impact study

The assessments are carried out by third parties through primary (field-based) and secondary research.

Rapid assessment

Usually conducted by the CSR function from time to time to address specific questions pertaining to a project.

We continued our partnership with 9 not-for-profit organisations across 9 states in India, focusing primarily on women and young girls. Key results achieved worldwide in FY19 are as under:

163,713

Lives touched (+82% YoY)

60,191

Volunteer hours (+69% YoY)

5.6 hours

Per capita (recognised as best-in-class)

We have developed our CSR programmes to address some of society's most urgent needs. On the basis of four themes, and being complemented by our business operations, they cover Education, Employability & Sustainable Livelihood, Healthcare and Employee Volunteering. They match five of the UN's SDGs which we consider Tata Communications to be best placed to support:

Our community development initiatives are undertaken in a project mode with specific targets, outcomes, activities, milestones and responsibilities. As a practice, Tata Communications establishes long-term multi-year partnerships to provide ample time for creating an impact. All projects undergo periodic monitoring with a defined, project-specific monitoring and evaluation framework. Monitoring is done through a cloud-based tool that enables partners to upload real-time data. In addition, regular interactions and site visits are also conducted by our CSR team to monitor the progress of the projects. Tata Communications' direct contribution to community development projects for the FY19 was ₹ 13.94 crores.

The entire CSR portfolio is managed by a dedicated team of in-house CSR professionals. We collaborate with NGOs / trusts and agencies to implement projects. Additionally, through an employee volunteering programme, we utilise the skills of our employees to support different projects.

Awards and recognition

We were recognised by People Matters Total Rewards as 'Best in Employee Volunteering' and by Tata Sustainability Group for 'Highest per capita volunteering' during Tata Volunteering Week in September 2018. In our effort to make monitoring and evaluation more structured and robust, we commissioned two third-party impact studies by KPMG and Samhita Social Ventures. While KPMG evaluated M-Powered, a sustainable livelihoods project for women using mobile technology being implemented in Odisha and Jharkhand; Samhita evaluated the Pune-based, entrepreneurship development programme.

Financial Capital

Value creation remains an integral part of our business model, where we constantly strive to create value for our stakeholders at large. Our value creation journey is set on sustainability of operations with continuous and effective communication with our stakeholders.

Our focus on generating and communicating economic value is reflected in our financial performance with a consolidated revenue from operations of ₹ 16,524.95 crores and a consolidated profit before tax of ₹ 343.20 crores.

Financial Performance (Standalone)

(₹ in crores)

Particulars	FY 2019	FY 2018	YoY growth (%)	Reasons for deviation more than 25%
Net Revenue	5,389.13	5,252.03	3	-
EBITDA	1,225.97	1,270.33	(3)	-
PAT	(442.32)	266.63	(266)	Current year's loss includes an exceptional loss of ₹ 667 crores
Debt equity Ratio	0.06	0.06	-	-
Interest coverage Ratio	9.28	10.92	(15)	-
Current Ratio	0.64	0.70	(9)	-
Debtors Turnover	4.28	5.18	(17)	-
Operating Profit Margin (%)	6.22	8.38	(26)	Pursuant to the effectiveness of new CLS charges from November 28, 2018, the Company recorded revenue of ₹ 89.94 crores, operating and maintenance recovery of ₹ 258.81 crores in Other expenses and a corresponding increase in Network and transmission expense due to transfer pricing adjustment.
Net Profit Margin (%)	(8.21)	5.08	(262)	Current year's loss includes an exceptional loss of ₹ 667 crores
Return on Net worth	(5.39)	3.03	(278)	Current year's loss includes an exceptional loss of ₹ 667 crores

Outstanding debt

As of March 31, 2019, the outstanding principal amount of debt was approximately ₹ 451.14 crores for the Company on a standalone basis and ₹ 9,934.94 crores on a consolidated basis. Considering the current capital expenditure requirements and debt maturing in the near future, we may need to resort to refinancing our maturing debt, as the possibility of raising equity funding is limited at this juncture.

Human Capital

Tata Communications' success is attributed to the ideas, competence, enthusiasm and commitment of our employees. As we strengthen our business model to build a digital infrastructure that is future ready, our people philosophy remains at the core of our business success.

Employees: numbers, engagement and development

Tata Communications' total headcount (including subsidiaries) as of March 31, 2019 was 10,752 full-time employees.

Learning and development

We continue to make steady progress in empowering our employees with skill sets through our Skills Transformation Initiative – the Tata Communications Academy. This initiative has enabled employees to enhance or build the skills required to grow in line with the continuous technological change taking place.

Our innovative training methods help build profiles for future job requirements, helping our employees pivot their skills from hardware to software, from legacy wireline to mobile and the digital economy, transforming them from data recorders to data analysts and scientists.

In FY19, more than 8000 employees were provided training to develop skills like - mobility, digitisation, software defined network, cloud etc, as well as upgrade their existing skills, through individual learning requests or structured, role-based learning interventions. The latter includes our Technical Skills Academy, Mobility Academy and Sales Academy plus IT Upskilling, and People Manager Capability Building initiatives.

83,560
Person-days of learning
21% increase YoY

300
First-time managers in India, APAC and Europe completed a 3-day long blended learning journey across 20 sessions

55%
Of people managers undertook 'coaching capability' learning journeys under the 'people manager & leadership capability development' and 20% completed 'Strategic & Business Acumen' courseware

11,289
Employees participated in the Tata Communications Academy in FY19
26% increase YoY

4,126
Training certifications
against a target of 2000 in FY19

87%
Learning done via digital learning channels

30
Workshops were conducted and attended by 794 employees for Tata Communications Way of Selling ('TCWOS') learning initiative launched in Q3, FY19
TCWOS is a role-based programme to redefine sales methodology and address market transformation

CoachingNOW

In partnership with BTS Coach, a leading organisation, we launched 'CoachingNOW' for select people managers that allows them to schedule a coaching conversation with an externally accredited coach and seek counsel on day-to-day managerial and leadership related challenges. CoachingNOW has been rolled out to enable people managers to build high performing teams by focusing on their leadership style and people management skills.

Crowdsourcing global talent

To further streamline collaboration and nurture employees, Tata Communications 'Project Marketplace' platform facilitates business units and internal teams to crowdsource talent from its global set of employees.

The platform provides employees an opportunity to work on projects spread across different regions and disciplines as compared to those in which they may currently work. This provides them with the opportunity to grow their personal networks within the organisation, as well as share their ideas and expertise. During the year, we extended Project Marketplace to encompass our external freelance network and provide project managers access to additional, best-in-class talent globally.

Human Capital development

Tata Communications offers a dynamic work environment where our employees benefit from working with other innovators from around the globe – driving meaningful change together, both for our customers and us. We have a diverse and multicultural workforce representing more than 37 nationalities.

The representation of women in Tata Communications has grown from 16% in FY14 to 22.5% at the end of FY19. To further strengthen Tata Communications as an inclusive workplace, we introduced The Hidden Mind programme in February 2019. This is an online training for employees to help them have discussions and self-reflection regarding stereotypes and unconscious bias. We also announced the Global Part-Time Work Policy in March 2019, which allows employees to opt for modified working hours to manage any personal or family commitments. This policy is in continuation to our Work from Home & Caregiving Policy as well as LEAP ('Life Event Assistance Program') – all aimed at helping employees balance their personal needs and professional responsibilities at the same time.

Tata Communications' compensation and employee benefit practices are designed to be competitive in the respective geographies where it operates. Employee satisfaction, motivation and loyalty remains crucial to maintain competitive edge and success. We offer a range of benefits to attract and retain the best talent. The benefits vary across geographies and some of them include Group Medical Insurance, Group Term Life Insurance, Group Personal Accident Insurance, Sodexo Meal Coupons, awards for Employees and Retirement Gift Vouchers to our full-time employees.

We aim to grow and develop our employees and their careers by widening their experience and expertise. As a result, we conduct a training-need analysis on a regular basis to assess training priorities and also hold group discussions to benchmark the training programmes. During the year, the number of individual training days provided to employees increased by 21% YoY reaching 83,560 as at March 31, 2019. We also conduct talent assessment for senior management to discover potential leaders and make sure their skills match the business requirements. During the last financial year, 8000+ employees were trained to invest in building future skills (such as mobility, digitisation, SDN, cloud, etc.), as well as upgrading existing ones, through individual learning requests or structured, role-based learning interventions. The latter includes our Technical Skills Academy, Mobility Academy and Sales Academy plus IT Upskilling, TCTS Skilling and People Manager Capability Building initiatives.

Employee wellbeing - Health & Safety

As an organisation that is built on a strong foundation of values with more than 10,000 employees across multiple geographies, we take the Occupational Health & Safety ('OH&S') and well-being of our employees seriously.

We follow the Tata Group's safety principles at every step of our operations, and also uphold the Group safety standards that specify the minimum mandatory requirements required to be followed to keep personnel and facilities safe, alongside guidance for ensuring 'zero harm'. The Occupational Health and Safety (OHS) Policy outlines and demonstrates our commitment to safety for our stakeholders.

We have introduced mandatory safety standards covering key operational activities in India. To assess adherence to these standards, regular audits were carried out, with findings forwarded to the leadership team for action. To oversee the implementation of mandatory safety standards, the EOHS team and Business function conducted around 11,500 audits and closed all the non-conformances in time.

We also launched various behavioural-based awareness campaigns, training sessions and a health & safety mobile app that resulted in an increase in reported unsafe observations. The number of unsafe observations has increased by 10% whereas the total number or man-days of H&S training for employees and contract workforce clocks at around 5,000.

We have also received the OHSAS 18001:2007 certification (international best practice with respect to H&S risk management) for our four facilities (GK-1-Delhi, VSB-Delhi, Dighi-Pune and BKC-Mumbai) in India and two facilities (Tai Seng street and Global Switch Office) in Singapore. The certification exemplifies our systematic approach and consistent framework on H&S across the various business functions and our commitment towards ensuring continual improvement of occupational health and well-being of our employees and the contract workforce. It further reinforces our efforts towards improving our corporate image, reputation and credibility among stakeholders like regulators, customers, prospective clients and the public.

We have also undertaken the initiative to secure an ISO 45001: 2018 certification for our south and east region facilities in India as well as our Canadian facilities by FY 2020 Q3.

We have a strong commitment to our Health Safety Environment framework. Our programmes are driven as per the material risks identified to our operational activities across the geographies we operate in. We are now looking forward to implementing an HSE IT automated solution which will aide business and corporate EOHS teams in automating the HSE programmes and MIS system for Tata Communications. The automated EOHS systems are standardised, easier to implement and use, and more affordable. This modern system will significantly boost productivity, enterprise connectivity, and management visibility to mitigate risks. The system is expected to go live by FY 2020 Q3.

Employer awards and accolades

Tata Communications (Hong Kong) has been recognised as one of the 'Best Workplaces in Asia' for the year 2019

2018 Best Employer in India by Aon Hewitt

For the third year in a row, Tata Communications has been included in Aon Hewitt's Best Employers in India for 2018, and second year in a row in Hong Kong. The recognition is a testament to Tata Communications' commitment and approach towards our employees.

Certified as a Great Place to Work in India (2018) – Great Place to Work Institute

In 2018, for the third year running, Tata Communications was certified as a Great Place to Work in India by the Great Place to Work Institute - again a testament to our progressive people practices.

In 2018, for the second year running, Tata Communications was certified as a Great Place to Work in Singapore.

Tata Communication was also certified as a Great Place to Work in, Hong Kong, Greater China and Canada in 2018

Best Companies for Women in India – Working Mothers and Avtar

In 2018, for the third year in a row, Tata Communications was recognised as one of the top 100 companies for women employees in India. This is testament to the leadership buy-in, manager support and employee feedback received by Tata Communications for Winning Mix, a strategic Diversity & Inclusion initiative.

2019 Business World & Ask Insights Global D&I Awards

Adjudged as the Winner of Business World & Ask Insights Global D&I Awards 2019, in the Innovative Best Practices category.

United Nations Global Compact Network India ('UNGCNI') recognised Tata Communications for its Innovative initiatives in ensuring women's empowerment in 2018.

Tata Communications continues to serve the communities in which we operate, touching over 160,000 lives (+82% YoY) through 60,000 hours of volunteering programmes across India, APAC, the Americas, Europe and MENA. We were recognised by People Matters Total Rewards as 'Best in Employee Volunteering'.

Natural Capital

We do everything we can to uphold the law, policies and regulations concerning the environment, safety and product standards in all the countries in which we operate. We have therefore deployed an Environmental Management System to manage a range of adverse impacts including:

- **Energy use and carbon emissions**
- **Electronic waste from network equipment**
- **Office waste**
- **Ozone-depleting emissions**
- **Water use**

Priorities

Our three immediate priorities in this area are:

Increasing the Renewable Energy ('RE') footprint

In our operations across the country, almost 7% [(~ 50,000 gigajoules ('GJ')] of the electricity used in the reporting period was procured from either wind or solar energy. While 59% Renewable energy was generated through solar power, the remaining 41% was generated through wind power.

Our major locations harnessing green energy were Chennai, Bangalore, Hyderabad and Pune. For our international facilities in Europe and the United Kingdom, energy providers usually have a mandate to provide a percentage of energy from renewable sources.

In order to meet the increasing energy demand for customer services as well as our own facilities, we have been investing in RE projects since the past few years. For this purpose, we undertook addition of a 10 MW agreement (off site) at our Chennai location in India.

Presently, we operate with a total solar power generation capacity of up to 5 megawatt ('MW') (on site for both IDC and non-IDC) and we plan to add more than 850 Kilowatt ('KW') next year at Hyderabad and Pune. We have also signed agreements with wind power suppliers in Tamil Nadu, Karnataka and Hyderabad for 130 million units ('kilowatt hours') per annum (for both IDC and non-IDC) to serve facilities at Chennai, Bangalore and Hyderabad.

Last year, we completed the Renewable Energy Assessment studies with the help of expert consultants like Deloitte and PTS: Schneider Electric for India and International regions (UK, Guam, North America, Japan, Portugal, Spain and Singapore) respectively. The exercise was planned under two phases, of which maximum focus was placed on India region primarily on account of the large infrastructure space and high energy consumption pattern. The study confirmed that Tata Communications has a scope to expand the existing Renewable Energy ('RE') capacity by 34.3 million units per annum which will increase our existing RE percentage ~ 16.5% to 32%.

We periodically report on environmental stewardship and actions in managing climate change through the Carbon Disclosure Project - CDP [a network organisation which works with shareholders and corporations to disclose the greenhouse gas ('GHG') emissions of major corporations]. Tata Communications has received a score of 'B' Grade, which is within the Management band. Management Band is awarded to companies, which provide a comprehensive disclosure on environmental issues and recognise the need to implement changes to business strategy for reducing emissions and aligning to environmental goals. The awarded grade is a notch higher than the general sector average of B-, and higher than the Asia regional average of C. Our CDP submissions are available on www.cdp.net/en.

Conservation of energy

Energy conservation and optimisation continue to gain significance in today's fast moving world. At Tata Communications, we continue to optimise our energy efficiency with an aim to continuously measure energy consumption, while also identifying any leakages in our operating procedures. We have designed our sites to connect utilities such as chillers, un-interrupted power supply ('UPS') and air handling units ('AHUs') to the building management system ('BMS') to maximise efficiency and to source Renewable Energy ('RE') from third parties. Last year a total of 79 opportunities were identified with an estimated annual energy cost savings potential of ₹ 11.65 crores. Out of the 79 identified opportunities, 52 (67%) projects stand completed, and we have achieved savings of ₹ 6.52 crores. Another 18 (22%) projects are in the pipeline with estimated annual energy cost savings of ₹ 3.85 crores and are likely to be completed by June 30, 2019.

Reducing our water consumption

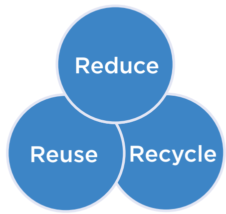
We recognise the value of water as an increasing global concern and are conscious of the impact of its use in our operational activities. Hence, we align our operations with the steps to minimise our water footprint and reduce the amount of fresh water we consume by ensuring maximum recycle and reuse of water.

Our facilities in India exist in areas that face water scarcity. Most of our water usage is for office and catering facilities, or in HVAC to support cooling equipment. Even though our operations are not as water intensive as those of manufacturing industries, we consider it to be a material aspect and have undertaken steps for water conservation across our facilities. Since most of our international operations facilities are on leases, we consider water as a material issue for our Indian operations.

During the reporting period, we withdrew (including requirement for STT-GDC an associate Company) nearly 381,000 cubic meters of water of which 76% was from municipal facilities, 21% from packaged and bottled water and the remaining 2-3 % through rain-water harvesting and ground water.

In order to map water consumption in our direct operations, we conduct a Water Risk Assessment exercise regularly. This helps us to improve processes and facilitates identification of inefficiencies in water use or distribution system. Our Water Risk Assessment exercise for all major facilities was revisited this year wherein sites falling under critical results were asked to set up objectives and targets along with plans in order to conserve and improve water recycling in their region.

Our operations and facilities align with the '3R' resource management strategies:



Across all our sites in India, we use water for heating, ventilation and air conditioning ('HVAC'), and domestic usage. In a water-stressed country like ours, the recycling and efficient use of water is crucial. Thus, we have installed wastewater treatment plants at most of our facilities. Also, to make our cooling system more efficient, we have carried out a feasibility study for a geothermal cooling system – using a water-cooled HVAC technology that loses almost no water to evaporation.

Further, most of our facilities have been designed to be 'zero discharge', where the generated waste water is treated through Sewage Treatment Plants and recycled for cooling and other domestic applications such as gardening and water sprinkling etc. For some sites, treated water is discharged to the authorised drains after complying with all regulatory limits. During FY19 we recycled nearly 50,000 cubic meters of water back into gainful use - that is nearly 13% of our total water requirement.

Risk Management

Rigorous systems ensure company-wide protection

Being a digital infrastructure services provider, operating in a complex and competitive environment across diverse markets and geographies, Tata Communications is clearly exposed to multiple threats and risks, from both internal and external sources.

We take adequate measures and steps to mitigate risks covering all our business operations. A holistic risk management framework ensures rigorous systems are in place to identify any impact of risk on our operations. By taking all possible scenarios into account, as detailed below, we are making informed decisions to sustain our market leadership globally.

Internal control systems and their adequacy

Tata Communications has robust internal control mechanisms, and our financial authority is clearly defined at the appropriate management levels through delegation of powers policies and procedures. Technical and financial operations are controlled by state-of-the-art technology and systems. Tata Communications Limited's accounts are subject to internal and statutory audit.

Tata Communications operates well-established risk management policies and procedures to identify and assess risks across all business units and operations. These take into consideration well-defined risk management principles based on experience, known best practices and principles of good corporate governance. The focus is on mitigating the potential adverse impact on the business from changes in the external and internal environment. Risk management and mitigation of key risks are considered as a vital exercise to achieve corporate objectives and deliver long-term value to stakeholders.

The Company's key risks are regularly discussed with the members of the Risk Management 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 the CEO, CFO and key business and operations heads. Tata Communications' risk management procedures are subject to a continual improvement process.

Enterprise Risk Management ('ERM')

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

ERM risk assessments are a key input for the annual internal audit programme, and cover Tata Communications' various businesses and functions. In addition to its internal audit, Tata Communications also continues to conduct a detailed review and testing of the key internal controls related to financial reporting. This approach provides adequate assurance to the management and the Audit Committee regarding the effectiveness of the internal control procedures defined and implemented by the management.

KEY

External threat

Internal threat

Scenario: Vulnerability to cyber attack

Context:

A digitised, international economy makes data readily available to enterprises worldwide.

Risk:

The interlinked economy increases the risk and potential of cyber-attacks, that pose a real threat to data security and business functionality.

Context:

Cyber criminals and fraudsters are targeting enterprises of all sizes for criminal gain or to cause disruption and inconvenience.

Risk:

Tata Communications could be subject to a sophisticated Distributed Denial of Service ('DDoS') attack, targeting company's applications, servers or hardware. Such a multi-targeted event could put an enterprise at risk, jeopardising revenue, customers and reputation. Thus, it is prudent to treat this not as 'if', but 'when'.

Context:

Tata Communications' clients look upon us for 'always-on' service and constant network availability.

Risk:

It can take time for a business to become entirely operational after a coordinated cyber-attack or data breach. If our network or services are unavailable for any length of time, we could lose significant business.

Context:

Cyber-attacks are spreading at an increased pace, and even world-leading social media enterprises are being accused of being lax with security and customer data.

Risk:

This poses a severe threat to our organisation as people 'opt-out', in the belief that going offline is the best way to keep their data secure. This would most likely mean less traffic on our networks, in turn leading to falling revenues overall.

Scenario: Falling revenue

Context:

New competition is continuously entering the market, alongside new and disruptive technologies. With price becoming ever more important, customers are searching for new providers and solutions before committing to buy.

Risk:

This can significantly affect our profitability, resulting in falling revenue.

Context:

We have a large number of contracts with Voice Solutions and Data Managed Services customers.

Risk:

Failure to keep on our commitments under these contracts, could result in large financial losses.

Scenario: Falling revenue

Context:

Emerging markets are vital for our revenue streams and could play a key role in helping sustain profitability in the years to come.

Risk:

Many emerging markets may become unstable, with similarly volatile economies. Intellectual property may be poorly protected, and competitors may also be present there. However, if we fail to capitalise on the opportunity that emerging markets provide, we could lose revenue.

Scenario: Losing vital customers

Context:

We have a number of major customers around the globe.

Risk:

If any of our large clients ends or reduces its contract with us, we could lose vital business impacting our profitability and margins.

Context:

We have a considerable part of our business revenue with carriers and service providers, who are facing prices pressure.

Risk:

The market restructuring, with mergers and acquisitions and consolidation of businesses are creating a whole new playing field.

Context:

Our enterprise customers are streamlining operations by cutting their infrastructure, alongside their budgetary expenditure.

Risk:

Public cloud service providers spot their opportunity and move in to focus on enterprise customers.

Scenario: Inability to keep innovating

Context:

We are known for constantly developing new products and services, winning more customers.

Risk:

Our ability to successfully innovate and develop new products may be curtailed, damaging our business.

Context:

Tata Communications is a wholesale provider in India and has no access license.

Risk:

We may become vulnerable to access providers, some of which start to compete in international markets.

Scenario: Inability to keep innovating

Context:

Many of our products and services use a combination of company-owned, third party-owned, or open-source software in their design and operation.

Risk:

We might face claims by third parties that our products and services infringe their intellectual property rights. Any settlement of those claims or court cases would tie-up valuable management time and company resources and could result in losses. It could also have a significant impact on our brand and reputation.

Context:

We continuously introduce new services, a process that often requires negotiating new contracts with vendors and third parties.

Risk:

Customers may not take up the new services developed by us. In addition, vendors might not meet their obligations which could put us in a challenging situation.

Context:

We are working with third parties to harness their services and technology, which means acquiring the right to use their intellectual property rights.

Risk:

We might have to enter into complex negotiations and/or financial obligations to obtain a license to use third party intellectual property rights. Any court case would tie-up valuable time and resources and could lead to losses. It could also put our reputation - one of the most valuable assets we possess, on stake.

Context:

We have been building partnerships and alliances with a number of companies to offer new solutions and win new customers.

Risk:

Aligning objectives with new partners can be challenging. Additionally, as partnerships tend to be non-exclusive, any new partner may be unable to give Tata Communications the attention and commitment required to succeed.

Context:

We are required to protect our own property rights and ensure we file patents in countries and jurisdictions across the world.

Risk:

Failing to do so effectively and in a timely manner could harm the business.

Scenario: Facing legal challenges

Context:

Like any business, we also make tax assumptions and expense claims based on our understanding of the law and expert advice. Very occasionally, the relevant tax authorities have challenged our position or issued penalties.

Risk:

Any legal finding against Tata Communications could expose us to extra costs and liabilities or affect our brand recall.

Scenario: Jeopardised operations

Context:

Tata Communications has a huge customer base around the world. We aim to keep growing the traffic across our global network.

Risk:

If the network is damaged and traffic reduces, we could witness loss of revenue and reputational damage.

Context:

With the world's only wholly-owned Tier 1 network, we have cabling and subsea infrastructure that stretches around the globe.

Risk:

Any natural disaster such as an earthquake or flood could harm our infrastructure. Subsea networks are also prone to cable cuts, which could seriously disrupt traffic.

Context:

Tata Communications is a truly global business, operating across developed and emerging markets.

Risk:

We face several global threats. Any economic downturn or act of terror can have a significant impact on our business operations. With entities across 36 countries, some of which may be affected by political instability, civil unrest, and other social tensions, we remain exposed to these uncertain events that are beyond our control. These factors may impact relevant communications markets in those countries. Additionally, these countries will engage in continuing regulation and re-evaluation which may lead to regulatory uncertainty.

Context:

Tata Communications needs to maintain its technology while looking to develop new solutions. We are also moving towards new ways of operating, such as DevOps.

Risk:

Failure on our part to attract and retain talented people who are leading the way in technology could result in limiting the number of opportunities. There are particular skills shortages in AI and Big Data.

Context:

We are growing traffic and building services organically and through acquisition.

Risk:

Successful assimilation of different working cultures and practices could be a challenge for us. Failure on our part to integrate any businesses acquired, may result in increased costs and inefficiencies. Acquisitions could also lead to extra demands on management and divert attention from daily operations.

Context:

Information technology systems are inherently vulnerable, both in terms of hardware and software, from influences ranging from human error to computer viruses. Software problems can remain hidden in vendors' equipment, undetected by regular testing.

Risk:

Any disruption to the network could impact several pieces of equipment at once, leading to dissatisfied customers, less traffic and lower revenues.

Scenario: Changing rules and regulations

Context:

Every country and territory in which Tata Communications operates, has its own unique laws and regulations, and adherence to each one, everywhere is important.

Risk:

As we move ahead to enter new markets and also expand our offerings, the challenges also increase. Before entering a market, we must identify the regulatory obligations and costs, including regulatory reports and fees, and ensure the business plan for entering the new market addresses these concerns. Once in a market, these obligations and costs are likely to change. Thus, we have to be extra vigilant that any changes to/introduction of new law do not have any impact on it.

Context:

We ought to act responsibly and protect the environment as it constitutes an important aspect of our business. On expanding its operations, Tata Communications is required to ensure continuous compliance with environmental laws and regulations and minimise any harm to the environment.

Risk:

As increasingly stringent legislation addressing environmental concerns come up, they would require us to invest in initiatives to address them.

Scenario: Changing economic situation

Context:

We make significant investments in new telecommunications and manage and improve services and projects with an aim to continue to do so on an ongoing basis.

Risk:

This could stretch our liquidity and create execution risks. Our operations and profitability may also be adversely impacted if the funding required for the plans is relatively more expensive.

Context:

Tata Communications receives foreign earnings through its international operations.

Risk:

Currency fluctuations, regional tax and tariffs could mean that we do not receive a full return on investment. 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 [US$ 56.60 million (equivalent ₹ 368.90 crores) pertaining to Buyer's Credit].

Context:

The communications industry is witnessing a growing number of instances of fraud.

Risk:

Although we have put measures in place to control any losses, it is impossible to eliminate fraud altogether, particularly when operating in international markets. An increasing number of foreign jurisdictions require the carrier who is serving the defrauded customer to withhold payment for the impacted services. This obligation applies to all carriers in the supply chain, so we need to stop payments to our suppliers when notified of fraudulent activity in those jurisdictions.

Ongoing legal cases with risk implications

1. Disputed Tax Matters

In past fiscal years, Tata Communications 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 counsels. In some cases, the Indian tax authorities have not accepted these claims and in a few instances, have sought to levy penalties against the Company. The disallowances and penalties have been challenged by Tata Communications under the applicable legal appeals processes, which are at various stages of adjudication. Though no such appeal has been finally decided against us, in the unlikely event of all of the disputes culminating in judgments against us, this could have adverse financial implications on our business.

2. TDSAT Matters

i. In 2005, Tata Communications had approached the Telecom Disputes Settlement & Appellate Tribunal ('TDSAT') along with several other service providers to challenge the definition of 'gross revenue' and 'adjusted gross revenue' ('AGR') as interpreted by the Department of Telecommunications ('DoT') for levying license fees. TDSAT issued its final verdict on August 30, 2007, which was broadly in line with the Company's arguments. However, not being satisfied on two issues viz. (i) the date of applicability of the TDSAT verdict, and (ii) the disallowance by the TDSAT of deducting certain charges passed on to other service providers, the Company had challenged TDSAT's order in the Supreme Court of India along with other service providers and also preferred an appeal to separate our case from the other petitioners. Concurrently, DoT also filed an appeal against TDSAT's order. Both the appeals are still pending before the Supreme Court for adjudication.

ii. The Company had also filed a separate petition in TDSAT on the penalty and penalty interest provisions under its international and national long-distance license agreements, which was allowed by TDSAT in its judgement of February 11, 2010. This entitled the Company to a refund of ₹ 115.73 crores being the penalty and interest thereon realised by DoT in January 2008. Under TDSAT's order of May 2012, DoT refunded to the Company, an amount of ₹226.23 crores (₹ 115.73 crores plus interest), and simultaneously challenged the order in the Supreme Court of India. The appeal is still pending.

iii. In 2013, the DoT introduced a new Unified License ('UL') regime for internet service providers that replaced the old service-specific license regime and imposed a new license fee of 8% of AGR on internet services revenue under the new UL-ISP licenses. This created a non-level playing field among providers. In 2014, the company applied to the DoT for a new UL-ISP license with the condition that we would not pay the new license fee on internet services revenue to maintain a level playing field with providers not yet subject to the new license fee, and also requested an extension for the old service-specific license. The DoT, while extending the old license, imposed license fee on internet services, which was challenged by Tata Communications. In its hearing of March 25, 2014, TDSAT granted a stay on payment of license fee on pure internet services and extended the Company's license during the pendency of the litigation. The stay still continues and the case is expected to soon come up for hearing. TDSAT has granted similar stays on petitions filed by other service providers on imposition of license fee by DoT.

3. Access Costs on Cable Landing Stations ('CLS')

The Telecom Regulatory Authority of India ('TRAI'), issued the International Telecommunication Access to Essential Facilities at Cable Landing Stations Regulations, 2007 ('Regulations') on June 7, 2007, authorizing the owners of Cable Landing Stations ('CLS') to fix their own cost-based charges for access to CLS, after obtaining approvals from TRAI to ensure that the charges were cost based. In 2012, TRAI amended the 2007 Regulations empowering itself to fix these charges, and thereafter issued another amendment prescribing a uniform charge in the form of a ceiling on the charges for providing access to a CLS facility which led to an almost 90% reduction in the charges. These amendments were challenged by Tata Communications by way of a Writ Petition filed in the Hon'ble High Court of Madras. The High Court, in 2016, dismissed Tata Communications' Writ Petition, against which order, the Company filed an appeal with the Division Bench of the Madras High Court and also a Special Leave Petition ('SLP') with the Supreme Court of India. The Supreme Court, dismissing the Company's SLP, requested the Division Bench of the High Court to dispose off the matter at the earliest. The Division Bench in its Order dated

July 2, 2018 partly allowed the Petition and quashed the schedules to the Regulations which prescribed charges, kept the CLS Regulations in abeyance and directed TRAI to rework the schedules. In October 2018 TRAI and other parties filed SLP in Supreme Court against the judgement of July 2018 in which the Supreme Court ordered the TRAI to re-work the figures within a period of six weeks from October 8, 2018. The TRAI reworked the schedules and issued Amendment Regulations with effect from November 28, 2018.

In December 2018 Association of Competitive Telecom Operators ('ACTO') filed an application in Supreme Court seeking direction and interpretation that the November 28, 2018 Regulations may be declared to be effective from retrospective effect. This application was disposed off by the Supreme Court on January 28, 2019 stating that it is not for the Supreme Court to give any interpretation and matter may be taken up in Appellate Court and consequently remanded the matter to TDSAT.

On January 7, 2019 the Company filed in the Supreme Court an SLP challenging the jurisdiction of TRAI which has been admitted by the Supreme Court and the matter is listed for hearing on July 17 2019.

On February 8, 2019, ACTO filed a Petition in TDSAT in pursuance of Supreme Court's order dated January 28, 2019. The Petition would be heard in TDSAT post disposal of the matter in Supreme Court.

4. Premature termination of exclusivity and compensation

As previously reported, the Government of India ('GoI') terminated the Company's exclusivity in the International Long Distance ('ILD') business two years ahead of schedule and allowed other players to enter the ILD business on April 1, 2002. The GoI offered the Company a compensation package for this early termination under the terms of a letter dated September 7, 2000. The GoI also gave the Company an assurance that it would consider additional compensation, if found necessary, following a detailed review of its decision to open up the ILD market.

Contrary to its assurances, on January 18, 2002, the GoI issued a further letter to the Company unilaterally declaring that the compensation package provided in its original letter was to be treated as full and final settlement of every sort of claim against the early termination of the Company's exclusivity rights in the ILD business. The Company filed a suit in the Bombay High Court in 2005. On July 7, 2010, the Bombay High Court ruled that it did not have the jurisdiction to hear this suit, in view of the provisions of the Telecom Regulatory Authority of India Act, 1997. In response, the Company instituted an appeal before a division bench of the Bombay High Court on various grounds. This appeal has yet to come up for a hearing.

International regulatory developments

Telecommunications regulators around the world have shown a keen interest in adopting regulations to codify 'net neutrality' or 'open internet' principles. In the United States, the Federal Communications Commission ('FCC') has scuttled its rules applying utility-type regulation to internet transmission and replaced it with what it terms a 'light touch' framework. This decision has been appealed to the U.S. Circuit Court for the District of Columbia which heard oral arguments from counsel for the interested parties in January 2019. A decision is expected in the summer. If the nature of the questions the judges asked the FCC are any indication, it is possible the FCC's net neutrality rules may get reversed once again. If that happens the FCC will likely be directed to eliminate the current rules and craft new ones. The rulemaking process will likely take 9-12 months so there will be no noticeable change in US policy during that time. And the fact that the majority of the FCC Commissioners are in favour of a deregulated internet, the next set of net neutrality rules, if this scenario occurs, may not be too different to the current rules (with some changes to address the court's concerns).

In the interim, the losing side may decide to appeal the case to the U.S. Supreme Court. And if the Court decides to take up the case, it could be a year to one and a half years for a ruling to be made during which period the status quo will likely be maintained. In April 2019, the US House of Representatives approved a bill that would re-instate the net neutrality friendly version of the FCC rules, but it is unlikely to be approved by the Senate and would face a likely veto from the President if the bill was passed.

We expect debates around net neutrality to remain active in many jurisdictions and calls for increased regulation may expand into adjacent areas. Since 2016, the principle of net neutrality has been protected in the European Union. The Body of European Regulators for Electronic Communications ('BEREC'), the European organisation of telecommunications regulators, is expected to review its net neutrality guidelines in 2019. These guidelines may touch on net neutrality for 5G networks.

Other areas of regulatory interest will include the regulatory treatment of 5G, cybersecurity, wearable devices, and mobile payment systems.

Our Commitment to GDPR

Tata Communications recognises that protection of personal data is increasingly important to individuals, organisations and stakeholders. Accordingly, we must earn the public's trust in their ability to share personal data with us. We currently have policies, procedures and controls in place to ensure that we process and manage personal data securely and in accordance with all applicable privacy laws, specifically, in accordance with the General Data Protection Regulation ('GDPR') in the European Union, which is regarded as one of the highest and strictest in the world. Our Privacy Policy, available at www.tatacommunications.com/policies/privacy, further explains in detail our practices and processes with respect to handling of any personal data that we receive from customers, suppliers or partners.

As part of Tata Communications' ongoing commitment to ensure compliance with global data privacy laws and to provide enhanced protections for customer, supplier and employee personal data globally, we have continued to enhance our personal data privacy programme and compliance framework, building on the company-wide GDPR readiness project we implemented in the preceding financial year. This included introduction of a cloud-based privacy management platform. The platform enables efficient, accurate and up-to-date documentation of the location and movement of personal data around Tata Communications, facilitating data mapping and complementing our GDPR compliance framework.

GDPR is an important step forward for clarifying and enabling individual privacy rights. Tata Communications is committed to GDPR and broader data privacy and information security compliance across all our products and services. We have been providing GDPR related assurances in our contractual commitments since GDPR's commencement date of May 25, 2018. Tata Communications continues to be vigilant on all matters of data privacy and security and actively monitors legal developments in the area as well as industry best practice to ensure that our policies, processes and controls keep pace with this ever-developing landscape.

Indian Telecom Regulatory Developments

The Government of India, on September 26, 2018 approved its new telecom policy - National Digital Communications Policy 2018 – with a view to attract US$ 100 billion investment in the telecom sector and create 40 lakh job opportunities by 2022. This policy envisages to provide universal broadband coverage at 50 megabit per second ('Mbps') to every citizen in addition to providing 1 gigabit per second ('Gbps') connectivity to all Village Panchayats of India by 2020 and 10 Gbps by 2022.

The Department of Telecommunications ('DoT') released the 'National Telecom Machine to Machine ('M2M') Roadmap' on May 12, 2015 to serve as a single reference document for all M2M stakeholders in India and with the aim to provide guidance to all stakeholders to nurture M2M Communications. The Telecom Regulatory Authority of India has provided its recommendations in respect of M2M to DOT. Further, the Telecommunication Engineering Centre, Department of Telecommunications ('TEC') has, on January 8, 2019 issued its Recommendations for IoT / M2M Security. DOT is expected to soon issue the guidelines with regard to the M2M / IoT services in India

The DoT, on August 31, 2018, issued guidelines for grant of Unified License for Virtual Network Operators ('VNOs'), under which VNOs are treated as extensions of Network Service Operators ('NSOs') or Telecom Service Providers ('TSPs'), where NSOs or TSPs own the core network. Although VNO may establish, operate and maintain telecommunication networks parented to NSO or TSP network and provide telecommunication services using any technology as per prescribed standards in the service area authorised under VNO License, VNO are not allowed to own / install equipment interconnecting with the network of other NSO or TSP. VNOs are allowed to create their own service delivery platforms in respect of customer service, billing and Value Added Services.

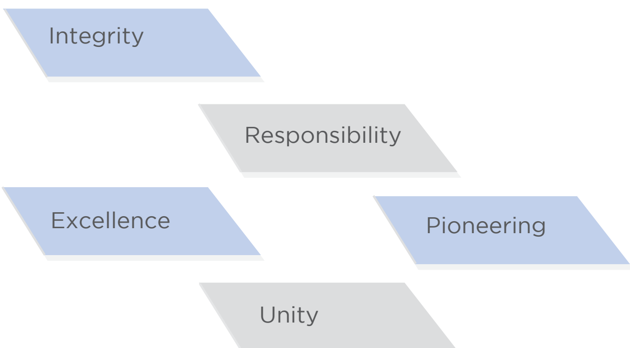
Cautionary Statement

Statements in the Directors' Report and Management Discussion and Analysis describing Tata Communications' 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 our operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which we operate, changes in government regulations, policies, tax laws and other incidental factors. Further, Tata Communications retains the flexibility to respond to fast-changing market conditions and business imperatives. Therefore, Tata Communications 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

Our philosophy and practice

As a Tata Group company, our five core values of integrity, excellence, unity, responsibility and pioneering drive everything we do. Fair corporate governance to uphold them is therefore central to our approach to creating value for all our stakeholders. These include our customers, employees, investors, partners and vendors, as well as everyone in the communities in which we work.



Although eliminating all business risk is unattainable, we do believe sound corporate governance can keep it to a minimum. We therefore make sure we always follow corporate governance best practices. Specifically, this includes meeting the requirements of corporate governance stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s)/modification(s) thereto. This document refers to this as the 'SEBI Listing Regulations' from now on.

Transparently accountable

Through our governance policies we focus on upholding the very highest standards of accountability, ensuring the very best returns for all our stakeholders – communicating regularly with them through bulletins and presentations, as well as holding frequent meetings with analysts and investors.

Codes of conduct

Every member of staff follows the Tata Code of Conduct that adheres to the relevant cultural and regulatory norms in all areas where we work. There are also other specific codes that apply to our employees and directors – viz. the Tata Communications Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices. You can find out more about these codes on our website at www.tatacommunications.com/investors/governance.

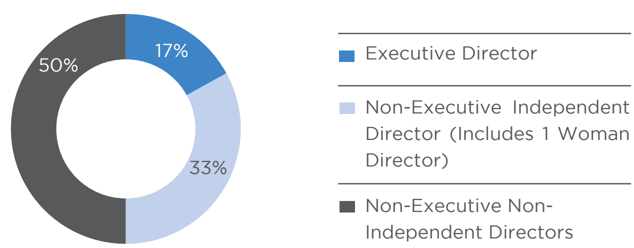
Our Board: Configured to Deliver

The Tata Communications' Board is configured to deliver the Company's vision by ensuring our customers' success remains central to becoming the 'global digital infrastructure provider of choice' over the next three years to 2021.

As of March 31, 2019, the Company has six Directors. One is an Executive Director and the remaining five are Non-Executive Directors. Two are Independent Directors (see more on this below) and two are nominees of the Government of India.

We have traditionally had Non-Executive Directors as Chairpersons. In line with this, Ms. Renuka Ramnath, a Non-Executive Independent Director, continues as the Chairperson of the Board.

Board Composition (as on March 31, 2019)



Board changes this year

Dr. Gopichand Katragadda stepped down from the Board with effect from September 11, 2018. Mr. Saurabh Kumar Tiwari and Mr. G. Narendra Nath, two Directors nominated by the Government of India also tendered their resignations with effect from January 30, 2019 and March 4, 2019 respectively. The Board places on record its sincere appreciation for their immense contributions and guidance to the Company.

After obtaining necessary security clearance under the Company's TV uplinking license from the Ministry of Information and Broadcasting, Dr. Maruthi Prasad Tangirala and Dr. Rajesh Sharma were appointed as Additional Directors on the Board with effect from March 5, 2019 as per the nominations received from the Government of India.

The Board seeks approval of the shareholders at the 33rd Annual General Meeting for confirmation of the appointment of Dr. Maruthi Prasad Tangirala and Dr. Rajesh Sharma.

Based on the recommendation of the Nomination and Remuneration Committee, the Board approved the re-appointment of Dr. Uday B. Desai, as an Independent Director for a second term commencing from August 4, 2019 to June 5, 2021, subject to approval of the shareholders.

The Board seeks approval of the shareholders via a special resolution at the 33rd Annual General Meeting for re-appointment of Dr. Uday B. Desai as an Independent Director.

In accordance with the provisions of the Companies Act, 2013 ("Act") and the Company's Articles of Association, Mr. Srinath Narasimhan retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Composition and attendance

The table below shows key information about each Director, including their attendance at board meetings and the number of directorships and committee memberships they hold as at March 31, 2019.

Name of the Director	Number of Board Meetings attended during the year 2018-2019	Attendance at the last AGM (August 9, 2018)	Number of Directorships in public limited companies including Tata Communications Limited*		Number of Committee Positions held in public limited companies including Tata Communications Limited**		Other listed entities where Directors of the Company held Directorships in other Listed entities	
			Chairperson	Member	Chairperson	Member	Name of the Listed Entity	Category of Directorship
Non-Executive Independent Directors								
Ms. Renuka Ramnath Chairperson DIN: 00147182	8	Yes	1	6	2	2	Arvind Limited	NE - ID
							Ultratech Cement Limited	NE - ID
							Network18 Media & Investments Limited	NE - ID
							L&T Technology Services Limited	NE - ID
							PVR Limited	NE - ID
							Indian Energy Exchange Limited	NE
Dr. Uday B Desai DIN: 01735464	8	Yes	-	1	1	2	-	-
Executive Directors								
Mr. Vinod Kumar Managing Director & Group CEO DIN: 01204665	8	Yes	-	1	-	-	-	-
Non-Executive Non-Independent Directors								
Mr. Srinath Narasimhan DIN: 00058133	8	Yes	-	3	-	4	Honeywell Automation India Limited	NE - ID
							Tata Teleservices (Maharashtra) Limited	MD
Mr. Saurabh Kumar Tiwari (up to January 30, 2019) DIN: 03606497	5	Yes	-	1	-	1	N.A.	-
Dr. Gopichand Katragadda (up to September 11, 2018) DIN: 02475721	3	Yes	-	2	-	1	N.A.	-
Mr. G. Narendra Nath (up to March 4, 2019) DIN: 07440439	6	No	-	1	-	2	N.A.	-
Dr. Rajesh Sharma (w.e.f. March 5, 2019) DIN: 08200125	2	N.A.	-	1	-	1	ITI Limited	NE – ID (Nominee)
Dr. Maruthi Prasad Tangirala (w.e.f. March 5, 2019) DIN: 03609968	1	N.A.	-	1	-	1	-	-

MD – Managing Director; NE – Non-Executive Director; ID – Independent Director

* Excludes directorships of associations, private limited companies, Section 8 companies or companies incorporated outside India.

** Represents Chairmanships / memberships of Audit Committee and Stakeholders' Relationship Committee in public limited companies.

Independent Directors and their meetings

As of the date of this Report, the Board comprised of six Directors, of whom two were independent.

The Independent Directors all uphold the maximum tenure regulations of the Companies Act, 2013, and have confirmed they meet the criteria under Regulation 16(1)(b) of SEBI Listing Regulations and Section 149 of the Act. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

During the year, one separate meeting of the Independent Directors was held on March 29, 2019, at which the Independent Directors inter-alia reviewed the performance of Non-Independent Directors and the Board as a whole. The Board of Directors also evaluated the Independent Directors' performance.

As previously reported to the stock exchanges, when the Government of India (GoI) transferred 25% of its stake in the Company to Panatone Finvest Limited (Pantone) in 2002, a shareholders' agreement (hereafter "SHA") was entered into between the parties. This agreement, inter alia, sets forth the rights and obligations of the parties in appointing Directors on the Board of the Company. The relevant clauses from the SHA were incorporated in the Company's Articles of Association, which provide that the Board shall comprise of four Independent Directors.

Till September 10, 2018, the Board comprised of seven Directors of whom two were independent. The Company continues to seek both the GoI's and Panatone's recommendation for the other two remaining vacancies for Independent Directors.

Subsequent to the resignation of Dr. Gopichand Katragadda with effect from September 11, 2018, the Board comprises of six Directors including two Independent Directors, and is compliant with the provisions of Section 149 (4) of the Companies Act, 2013 and Regulation 17 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of having one-third of the Board as Independent Directors.

Notes:

a) None of the Directors is:

   i) a Director of more than ten public companies,

   ii) a member of more than ten committees or a chairperson of more than five committees across all the public companies of which they are Directors. This includes membership and chairmanship of Audit Committees and Stakeholders Relationship Committees,

   iii) an independent director in more than seven listed companies.

   As of March 31, 2019, every director has made the necessary disclosures about any positions they hold in other public companies.

b) All Independent Directors uphold the maximum tenure regulations of the Companies Act, 2013, and have confirmed they meet the criteria under Regulation 16(1)(b) of SEBI Listing Regulations and Section 149 of the Act.

c) None of the Directors is related to any other Director.

d) None of the Directors have any business relationship with the Company.

e) None of the Directors holds any shares in the Company.

f) None of the Directors received any loans or advances from the Company during the year.

g) The Board has seen and considered the information required by Regulation 17(7) read with Schedule II of the SEBI Listing Regulations. The Company has an effective way of communicating important decisions made by the Board to the relevant divisions.

h) Apart from directors' remuneration and sitting fees, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors during the financial year 2018-19.

i) The terms and conditions of appointment of the Independent Directors are available on our website at www.tatacommunications.com/investors/ governance.

j) We have a programme to familiarise Independent Directors with the Company, as per Regulation 25(7) of the SEBI Listing Regulations. For details see www.tatacommunications.com/investors/governance.

k) The Board regularly reviews compliance reports of all laws that apply to the Company, which are presented to them by the management.

l) Detailed résumés of all Directors, and those Directors proposed to be appointed or reappointed at the 33rd Annual General Meeting, can be found in the Director's Profile section of this report.

m) The following are the core skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Expertise and knowledge in the field of Telecom, Information Technology and Digitalisation	Experience and knowledge in Finance, Taxation, Risk Management, Legal & Compliance and Corporate Governance
Knowledge of Marketing, Corporate Strategy and Planning	Multiple geography and global business experience
Leadership experience	

n) The necessary quorum was present at every Board meeting and the gap between any two Board meetings was never more than 120 days. Board meetings were held on:

May 9/10, 2018	July 5, 2018	July 27/28/30, 2018
August 9, 2018	November 1, 2018	January 30, 2019
March 5, 2019	March 29, 2019	

Committees of the Board

Tata Communications has constituted all requisite statutory committees as required under the Companies Act, 2013 and the SEBI Listing Regulations, details of which are as follows:

A. Audit Committee

Extract of Terms of Reference

The Audit Committee's constitution complies with Regulation 18 of the SEBI Listing Regulations and with Section 177 of the Companies Act, 2013.

During the year under review, the terms of reference of the Audit Committee were amended to align the role of the Audit Committee with the amendments to the SEBI Listing Regulations. The broad terms of reference of the Audit Committee include:

- Oversight 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.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- Evaluation of internal financial controls relating to financial reporting and risk management systems in conjunction with Internal and Statutory Auditors.

Extract of Terms of Reference

- To provide advice to the Compliance Officer in setting forth policies in relation to the implementation of the Code of Conduct for Prevention of Insider Trading & the Code of Corporate Disclosure Practices (Code) and the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- To oversee the implementation of the Code by the Compliance Officer under the overall supervision of the Board of the Company.
- To review the compliance with the provisions of the Regulations and verify that adequate internal controls, as required to be framed under the Regulations, at least once a year.
- To review the utilization of loans and/or investment by the Company in its subsidiaries exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/advances and investments.

For full details of its Terms of Reference, see www.tatacommunications.com/investors/governance.

Meetings

The necessary quorum was present at every Audit Committee meeting and the gap between any two Audit Committee meetings was never more than 120 days. The Audit Committee met four (4) times on:

May 10, 2018	August 9, 2018
November 1, 2018	January 30, 2019

Composition & Attendance

Category and composition		No. of meetings attended
Name	Category	
Ms. Renuka Ramnath [Chairperson]	NE-ID	4
Dr. Uday B. Desai	NE-ID	4
Mr. Saurabh Kumar Tiwari*	NE	3
Mr. G. Narendra Nath**	NE	1
Dr. Rajesh Sharma^	NE	-

* Resigned as Director and consequently ceased to be a member of this Committee w. e. f. January 30, 2019.

** Appointed as member of this Committee w.e.f. January 30, 2019. Resigned as Director and consequently ceased to be a member of this Committee w. e. f. March 4, 2019.

^Appointed as member of this Committee w. e. f. March 5, 2019.

NE – Non-Executive Director; ID – Independent Director

Other details:

- Ms. Renuka Ramnath, Chairperson of the Audit Committee was present at the Company's last Annual General Meeting (AGM) held on August 9, 2018.
- The Audit Committee invites a number of people to its meetings, including any Company executive it feels will be relevant, as well as representatives of the statutory auditors and internal auditors.
- All members are financially literate and bring in expertise in the fields of finance, economics, development, strategy and management.
- Mr. Manish Sansi, Company Secretary & General Counsel (India) is the Compliance Officer and ensures compliance with and implementation of the Insider Trading Code.
- The management is responsible for the Company's internal controls and financial reporting process, with the statutory auditors responsible for performing independent audits of the Company's financial statements in line with generally accepted auditing practices, as well as for issuing reports based on their audits.
- The Audit Committee supervises these processes, and ensures accurate and timely disclosures to maintain transparency, integrity and quality of financial control and reporting.

B. Nomination and Remuneration Committee (NRC)

Extract of Terms of Reference

The constitution of the Nomination and Remuneration Committee (NRC) meets the provisions of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The broad terms of reference of the NRC include:

- Recommend to the Board the setup and composition of the Board and its committees.
- Recommend to the Board the appointment or reappointment of Directors.
- 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.
- Recommend to the Board the remuneration policy for directors, executive team/ KMP as well as the rest of the employees.
- Oversee familiarisation programmes for directors.

Extract of Terms of Reference

- Oversee the Human Resources (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).

For full details of its Terms of Reference, see www.tatacommunications.com/investors/governance.

Meetings

The necessary quorum was present at every NRC meeting. The NRC met four (4) times on:

May 10, 2018	July 27, 2018
January 30, 2019	March 29, 2019

Composition & Attendance

Category and composition		No. of meetings attended
Name	**Category**	
Dr. Uday B. Desai [Chairperson]	NE-ID	4
Ms. Renuka Ramnath	NE-ID	4
Mr. Srinath Narasimhan	NE	4
Mr. G. Narendra Nath*	NE	3
Dr. Maruthi Prasad Tangirala**	NE	1

* Resigned as Director and consequently ceased to be a member of this Committee w. e. f. March 4, 2019.

**Appointed as member of this Committee w. e. f. March 5, 2019.

NE – Non-Executive Director; ID – Independent Director

Remuneration policy:

Encouraging a high-performance culture

Our remuneration policy is designed to encourage a high-performance culture to attract and retain the best staff, and motivate them to achieve results. The policy supports a customer-focused business model that demands our employees to be mobile to meet project needs. Pay models comply with local regulations in each country we operate, with a remuneration structure tailored to reflect its domestic IT industry.

The Company pays remuneration via salary, benefits, perquisites, incentives and allowances (fixed component) and commission (variable component) to its Managing Director. It does not have any employee stock option scheme.

The NRC decides on annual increments for the Managing Director, following the salary scale approved by shareholders of the Company. Increments become effective from April 1 every year. The NRC also decides on the commission payable to the Managing Director out of the profits for the financial year, following the ceilings prescribed under the Companies Act, 2013. Its decision is based on Company performance, as well as that of the Managing Director and each executive director.

Sitting fees for the financial year 2018-2019 – as recommended by the NRC and approved by the Board

- ₹50,000/- per meeting of the Board / Audit Committee / Nomination and Remuneration Committee, to Non-Executive Directors who are not employees of any Tata company.
- ₹25,000/- per meeting for the meetings of other committees, to Non-Executive Directors who are not employees of any Tata company.
- ₹25,000/- per meeting convened for any other purpose in the interest of business.
- ₹20,000/- per meeting of the Board, any committee, or for any meeting convened for any other purpose in the interest of business, to Non-Executive Directors who are employees of any Tata company excluding the employees of the Company or its subsidiaries.

Commission and sitting fees paid to Non-Executive Directors for the year 2018-19

At the Company's AGM on September 29, 2015, shareholders approved annual payment of commission to the Non-Executive Directors for the next five years, starting from April 1, 2015, within the ceiling of 1% of the net profits of the Company as outlined by the Act. The Board decides the exact commission each year and then distributes it amongst the Non-Executive Directors based on their attendance and contribution at Board and committee meetings, as well as time spent on other operational matters. The Company also reimburses any out-of-pocket expenses incurred by Directors for attending the meetings.

Details of commission and sitting fees to Non-Executive Directors for the year 2018-19 are below:

Amount (₹ in Lakhs)

Name of Director	Commission	Sitting Fees
Ms. Renuka Ramnath	40.33	8.50
Mr. Srinath Narasimhan[1]	16.14	3.40
Dr. Uday B. Desai	22.60	9.75
Mr. Saurabh Kumar Tiwari[2] (up to January 30, 2019)	10.33	-
Dr. Gopichand Katragadda[1] (up to September 11, 2018)	3.87	0.60
Mr. G. Narendra Nath[2] (up to March 4, 2019)	13.56	-
Dr. Rajesh Sharma[2] (w.e.f. March 5, 2019)	3.87	-
Dr. Maruthi Prasad Tangirala[2] (w.e.f. March 5, 2019)	2.58	-

[1] In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full-time employment of any Tata Company

[2] The Government Directors have informed the Company that they will not accept any sitting fees and commission, as their directorships are seen as part of their official duty.

Remuneration to the whole-time director during the year 2018-19

(Amount in ₹)

Name	Salary#	Perquisites & Allowances#	Performance and Other Incentives#
Mr. Vinod Kumar Managing Director & Group CEO*	68,640,029	16,115,277	151,099,047

* Approved commission for FY 2018-19 is ₹ 97,708,029 which will be paid in the current financial year.
#Salary, perquisites and allowances and incentives as stated above include the amount paid by a subsidiary company.

Performance evaluation criteria for Independent Directors

The NRC determines how the Company evaluates Independent Directors based on criteria including:

- Participation and contribution
- Commitment
- Deployment of their knowledge and expertise
- Management of relationships with stakeholders
- Integrity and maintenance of confidentiality
- Independence of behaviour and judgment.

C. Stakeholders' Relationship Committee (SRC)

Extract of Terms of Reference

The constitution of the Stakeholders' Relationship Committee (SRC) meets the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

Extract of Terms of Reference

During the year under review, the terms of reference of the SRC were amended to align the role of the SRC with the amendments to the SEBI Listing Regulations. The broad terms of reference of the SRC include:

- Review of statutory compliance relating to all security holders.
- 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.
- 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.
- Resolving the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Meetings

The necessary quorum was present at every SRC meeting. The SRC met four (4) times on:

May 10, 2018	August 9, 2018
November 1, 2018	January 30, 2019

Composition & Attendance

Category and composition		No. of meetings attended
Name	Category	
Dr. Uday B. Desai [Chairperson]	NE-ID	4
Mr. G. Narendra Nath*	NE	4
Mr. Srinath Narasimhan**	NE	2
Dr. Maruthi Prasad Tangirala^	NE	-

* Resigned as Director and consequently ceased to be a member of this Committee w. e. f. March 4, 2019.

**Appointed as a member of this Committee w.e.f. September 25, 2018.

^Appointed as a member of this Committee w.e.f. March 5, 2019.

NE – Non-Executive Director; ID – Independent Director

Other Details:

- Mr. Manish Sansi, Company Secretary & General Counsel (India) is the Compliance Officer for shareholder grievance redressal.
- The Stakeholders' Relationship Committee has been delegated the powers to approve the issue of Duplicate Share Certificates and approve transfer / transmission of shares. All shares received for transfer until March 31, 2019 have been duly processed.

Investor Complaints and their status at financial year end

The status of investor complaints as on March 31, 2019 as reported under Regulation 13 of the SEBI Listing Regulations is as below:

Complaints as on April 1, 2018	0
Received during the year	10
Resolved during the year	10
Pending as on March 31, 2019	0

D. Corporate Social Responsibility (CSR) Committee

Extract of Terms of Reference

The constitution of the Company's Corporate Social Responsibility (CSR) Committee follows the provisions of Section 135 of the Act.

The broad terms of reference of the CSR Committee include:

- 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 societal obligations and its reputation as a responsible corporate citizen.

Extract of Terms of Reference
• Oversee activities impacting the quality of life of various stakeholders. • Monitor the CSR policy and expenditure of the material subsidiaries.
For full details of the CSR Policy, see www.tatacommunications.com/investors/governance.

Meetings

The CSR Committee met once on March 29, 2019, at which meeting requisite quorum was present.

Composition & Attendance

Category and composition		No. of meetings attended
Name	Category	
Mr. Srinath Narasimhan* [Chairperson]	NE	1
Dr. Uday B. Desai	NE-ID	1
Dr. Rajesh Sharma**	NE	1
Mr. Saurabh Kumar Tiwari^	NE	-
Ms. Renuka Ramnath^^	NE-ID	-
Dr. Gopichand Katragadda#	NE	-

* Appointed as a member and Chairperson of this Committee w.e.f. September 25, 2018.

** Appointed as a member of this Committee w.e.f. March 5, 2019

^Resigned as Director and consequently ceased to be a member of this Committee w. e. f. January 30, 2019.

^^ Ceased to be a member of this Committee w.e.f. March 5, 2019.

#Resigned as Director and consequently ceased to be a member of this Committee w.e.f. September 11, 2018.

NE – Non-Executive Director; ID – Independent Director

E. Risk Management Committee (RMC)

Extract of Terms of Reference
The Board has constituted a Risk Management Committee (RMC) in terms of the SEBI Listing Regulations. The RMC's role, defined by the Board, includes monitoring and reviewing the risk management plan to ensure it is fit for purpose in the light of risks and concerns faced by the Company. During the year under review, the responsibilities and duties of the RMC were amended to align the role of the RMC with the amendments to the SEBI Listing Regulations.

Extract of Terms of Reference
The responsibilities and duties of the RMC include: • Helping to set the tone and develop a culture of risk management into the organisation's goals and compensation structure. • Review and approval of the Risk Management Framework once in three years. • Evaluating significant risk exposures of the Company and assessing management's actions to mitigate the exposures in a timely manner. • To ensure that the Company has adequate cyber security measures in place to protect itself from cyber threats and also monitor such security measures from time to time. • Such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

Meetings

The RMC met once on March 29, 2019, at which meeting requisite quorum was present.

Composition & Attendance

Category and composition		No. of meetings attended
Name	Category	
Mr. Srinath Narasimhan* [Chairperson]	NE	1
Mr. Vinod Kumar	MD	1
Dr. Maruthi Prasad Tangirala**	NE	1
Dr. Gopichand Katragadda^	NE	-
Mr. G. Narendra Nath^^	NE	-
Mr. Tri Pham	Chief Strategy Officer	1
Ms. Pratibha K. Advani	Chief Financial Officer	1

* Appointed as a member and Chairperson of this Committee w.e.f. September 25, 2018.

** Appointed as a member of this Committee w.e.f. March 5, 2019

^Resigned as Director and consequently ceased to be a member of this Committee w. e. f. September 11, 2018.

^^Resigned as Director and consequently ceased to be a member of this Committee w.e.f. March 4, 2019.

MD – Managing Director; NE – Non-Executive Director

General Body Meetings

A. Annual General Meetings ('AGM')

Details of AGMs held during the last three years and Special Resolutions passed thereat are given below:

Financial Year	Date	Time	Venue	Resolutions & Voting
2015-16	August 1, 2016	11:00 a.m.	NSE Auditorium, Ground Floor, National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051.	Special resolutions: Nil
2016-17	June 27, 2017	11:00 a.m.	MC Ghia Hall, Bhogilal Hargovindas Building, Second Floor, 18/20 Kaikhushru Dubash Road, Kalaghoda, Mumbai – 400 001.	Special resolutions: Nil
2017-18	August 9, 2018	10:00 a.m.	Pama Thadhani Auditorium, Jai Hind College, 'A' Road, Churchgate, Mumbai – 400 020.	Special resolutions: 3 a. Alteration of Clause III – Objects Clause of the Memorandum of Association of the Company. b. Alteration of Clause IV – Liability Clause of the Memorandum of Association of the Company. c. Alteration of Articles of Association of the Company.. All the resolutions were put to vote and carried with requisite majority.

B. Other Shareholder Meetings & Special Resolutions passed through postal ballot

i. No extraordinary general meeting was held during the financial year 2018-19.

ii. The Company had sought the approval of the shareholders by way of a special resolution for the scheme of arrangement and reconstruction among the Company and Hemisphere Properties India Limited for demerger of surplus land through notice dated April 5, 2018 offering e-voting and postal ballot facility. The resolution was passed at a meeting of the shareholders convened as per the directions of the National Company Law Tribunal on May 10, 2018. Ms. Preeti Ghiya (Membership No. 10077; CP 6157), Practising Company Secretary was appointed as Scrutiniser to scrutinise the votes cast through the remote e-voting, postal ballot and voting at the meeting venue in a fair and transparent manner.

C. Details of special resolution to be passed through postal ballot

None of the business proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

Other Disclosures

Material transactions entered into with related parties

All transactions with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations during the financial year 2018-19 were in the ordinary course of business and based on arm's length pricing. The Audit Committee approved all these transactions. The Board has approved a policy for related party transactions which is viewable at www.tatacommunications.com/investors/governance.

During the year under review, the Company amended the policy on related party transactions in view of amendments to the Act and SEBI Listing Regulations.

Non-compliance notices, penalties, strictures

During the last three financial years, neither the SEBI nor any stock exchange or any statutory authority has issued or imposed any non-compliance notice or penalty or strictures on the Company on any matter relating to capital markets.

Code of Conduct

The Board members and senior management personnel have confirmed their compliance with the Company's

Code of Conduct applicable to them during the year ended March 31, 2019. As stipulated in the SEBI Listing Regulations on compliance declarations received from Independent Directors, Non-Executive Directors and senior management personnel, this Annual Report contains a certificate from the Managing Director & Group CEO and Company Secretary.

Schedule II Part B certification

As stipulated in Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and Group CEO and Chief Financial Officer gave a certificate to the Board of Directors for the year ended March 31, 2019, in the format prescribed by Schedule II Part B.

Discretionary requirements

The company fulfilled the following discretionary requirements as prescribed in Regulation 27(1) read alongside Schedule II Part E of the SEBI Listing Regulations:

a. The Company has complied with the requirement of having separate persons occupying the positions of Chairperson and CEO / Managing Director.

b. The Company has appointed an internal auditor who reports and makes the internal audit presentations to the Audit Committee.

Certificates from Practising Company Secretary

a. A certificate has been received from Mr. Upendra C. Shukla, Practising Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

b. In accordance with SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Upendra C. Shukla, Practising Company Secretary, confirming compliances with applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2019.

Reconciliation of share capital

A qualified Practising Company Secretary carried out quarterly audits to reconcile the total admitted equity share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), along with the total issued and listed equity shares capital.

These audits confirm that the total issued and paid-up equity share capital tallies with the total number of equity shares in physical form, plus the total number of dematerialised shares held by NSDL and CDSL.

Subsidiary companies

The Audit Committee reviews the Company's consolidated financial statements and the investments made by its unlisted subsidiary companies. The minutes of their Board meetings, along with a report on significant developments of the unlisted subsidiary companies, are regularly placed before the Board of Directors.

During the financial year 2018-19, Tata Communications Payment Solutions Limited (TCPSL) continued to be an Indian material unlisted subsidiary of the Company as per the definition of Material Unlisted Subsidiary under Regulation 16(1)(c) of the SEBI Listing Regulations. Consequently, one independent director from the Company's Board has been appointed as a director on the Board of TCPSL, as per Regulation 24(1) of the SEBI Listing Regulations. Tata Communications International Pte. Ltd.; Tata Communications (America) Inc. and Tata Communications (Netherlands) B.V. were the material unlisted subsidiaries of the Company incorporated outside India. View the Company's material subsidiaries policy at www.tatacommunications.com/investors/governance.

Archiving and preservation of documents

As stipulated by Regulation 9 of the SEBI Listing Regulations, the Company has adopted a policy for the archiving and preservation of documents.

Whistleblower policy

The Company has a whistleblower policy and other mechanisms for employees to report concerns about unethical behaviour. View the policy at www.tatacommunications.com/investors/governance.

No personnel of the Company has been denied access to the Audit Committee.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a charter under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which can be viewed at www.tatacommunications.com/investors/governance.

The instances of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for the financial year 2018-19 are as under:

a. Number of complaints filed during the financial year : 7

b. Number of complaints disposed off during the financial year : 6

c. Number of complaints pending as on end of the financial year : 1*

*One complaint which was received towards the end of March 2019 remained pending as at March 31, 2019.

Tata Code of Conduct for Prevention of Insider Trading

The Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ("Codes") under the SEBI (Prohibition of Insider Trading) Regulations, 2015, which lay down guidelines for procedures to be followed and disclosures to be made with respect to trading in securities of the Company.

During the year, aforesaid Codes were amended to align them with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the amended Codes, the Company has also adopted requisite policies on determination of legitimate purpose and inquiry in case of leak or suspected leak of unpublished price sensitive information. View the Codes and Policy of Determination of Legitimate Purpose at www.tatacommunications.com/investors/governance.

How We Communicate

Financial Results

The Company's quarterly, half-yearly and annual financial results and statutory notices are normally published in the Free Press Journal and Navshakti among other newspapers. They are also hosted at www.tatacommunications.com. For benefit of shareholders, the Company voluntarily sends quarterly financial results by e-mail to those shareholders whose e-mail addresses are registered with the Company.

Stock Exchange Intimations

The Company discloses to the Stock Exchanges where the securities of the Company are listed, all price sensitive information and material events as required under the SEBI Listing Regulations. All submissions are made through the electronic filing systems of the Stock Exchanges. These intimations are also hosted on the Company's website at www.tatacommunications.com.

Analyst/Investor Meets and Press Releases

The Managing Director & Group CEO and Chief Financial Officer hold quarterly meets/calls with analysts and institutional investors to discuss the Company's performance. Presentations made to analysts and institutional investors and transcripts of calls with analysts and institutional investors are available at the Company's website at www.tatacommunications.com. The website also hosts the Company's official press releases and news of significant developments.

Segmental Information

The Management Discussion and Analysis forms part of the Directors' Report and is included in the Annual Report for the financial year 2018-19. Segmental information may be referred to in the Notes forming part of the financial statements.

Letters and Reminders to Shareholders

- **Updation of PAN and Bank details:**

  In accordance with the circular dated April 20, 2018 issued by SEBI, the Company sent letters and reminders to shareholders holding shares in physical form for updation of their PAN and Bank account details with the Company/ its Registrar and Share Transfer Agent.

- **Dematerialisation of shares:**

  Pursuant to the circulars issued by SEBI during the year mandating transfer of securities only in electronic form with effect from April 1, 2019, the Company sent letters and reminders to shareholders holding shares in physical form advising them to dematerialise their holding.

- **Unclaimed dividend and shares:**

  During the year, the Company sent out periodical reminders to shareholders to claim their dividend in order to avoid transfer of unclaimed dividend and shares to the Investor Education and Protection Fund. The Company also published notices in this regard in newspapers and uploaded the names of shareholders and details of unclaimed dividend on the "Investor Relations" section of its website.

Company Website

The Company's website hosts detailed information about the Company's business, management, vision, policies, corporate governance practices, statutory disclosures and news and updates. The "Investor Relations" section serves to inform shareholders about the Company and hosts financial results, annual reports, presentations to analysts, company policies and other shareholder-related information. Our "News Centre" houses all major press releases and significant updates relating to the Company.

General Shareholder Information

Tata Communications Limited is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number allotted to the Company by the Ministry of Corporate Affairs is L64200MH1986PLC039266.

Annual General Meeting for the Financial Year 2018-2019

Financial Year : April 1, 2018 – March 31, 2019

Date : August 2, 2019

Time : 11:30 hours IST

Venue : BSE International Convention Hall, 1st Floor, PJ Towers, BSE, Dalal Street, Fort, Mumbai – 400 001.

Dividend Payment : The final dividend, if declared, shall be paid on or after August 5, 2019

Date of book closure / record date : Saturday, July 27, 2019 to Friday, August 2, 2019 (both days inclusive for the purpose of AGM and Dividend)

Listing on Stock Exchanges : **National Stock Exchange of India Limited ('NSE')**
Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
BSE Limited ('BSE')
25th Floor, P.J. Towers, Dalal Street, Mumbai – 400 001.

Stock Code / Symbol : NSE: TATACOMM
BSE: 500483

International Securities Identification Number (ISIN) : INE151A01013 (Equity Shares)

Listing Fees : The Annual Listing Fees due to each of the aforesaid Stock Exchanges for the financial year 2018-19 has been paid.

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting are given in the Annexure to the Notice of the Annual General Meeting to be held on August 2, 2019.

Dividend distribution policy

The Company believes in enhancing shareholders' returns on an ongoing basis, which is why we have constantly endeavoured to maintain the Dividend Pay-out Ratio at broadly the same level every year. The Board has the discretionary power to recommend the dividend. When deciding on the dividend pay-out, the Board may consider various parameters including, but not limited to, profits earned in the financial year, the Company's past performance, expansion plans, taxation and statutory regulations, and money market conditions.

The Board of Directors has approved the Dividend Distribution Policy, as per Regulation 43A of the SEBI Listing Regulations. The Dividend Distribution Policy lists the key factors that may affect the decision to pay out earnings in the form of dividends and can be found on our website at www.tatacommunications.com/investors/governance.

Market price data

The table below shows the monthly high and low quotations, based on daily closing prices, and the number of equity shares traded each month during the financial year 2018-19 on BSE and NSE.

Month	BSE Share Price (₹)			NSE Share Price (₹)		
	High	Low	Number of Equity Shares Traded	High	Low	Number of Equity Shares Traded
Apr-18	670.90	615.00	1,762,387	671.00	614.50	8,030,433
May-18	648.95	595.35	679,543	649.20	596.05	11,632,617
Jun-18	627.60	547.95	1,030,637	623.40	574.30	8,206,225
Jul-18	622.55	534.35	3,278,887	623.95	534.50	7,314,540
Aug-18	602.65	536.00	1,338,112	603.10	536.60	6,421,842
Sep-18	545.00	486.30	684,590	545.70	486.20	6,796,991
Oct-18	522.00	435.95	624,672	517.65	435.70	9,537,268
Nov-18	553.00	478.10	429,131	553.90	476.40	7,772,805
Dec-18	557.20	500.00	341,078	558.00	500.10	6,025,634
Jan-19	546.00	481.20	963,478	544.00	485.25	13,985,765
Feb-19	602.25	472.75	418,504	602.75	473.00	11,254,122
Mar-19	623.70	581.75	328,581	623.90	574.40	7,912,535

Performance of the Company's share price on BSE Closing and NSE Closing compared to the S&P BSE Sensex closing and NSE Nifty 50 closing respectively

Month	TCL BSE Closing Share Price V/S S&P BSE Sensex Closing		TCL NSE Closing Share Price V/S NSE Nifty 50 Closing	
	S&P BSE Sensex Closing (₹)	BSE TCL Closing Share Price (₹)	S&P CNX Nifty Closing	NSE TCL Closing Share Price (₹)
Apr-18	621.95	35160.36	10739.35	623.80
May-18	617.10	35322.38	10736.15	617.35
Jun-18	593.40	35423.48	10714.30	592.75
Jul-18	578.15	37606.58	11356.50	578.60
Aug-18	539.35	38645.07	11680.50	540.00
Sep-18	500.75	36227.14	10930.45	500.50
Oct-18	490.55	34442.05	10386.60	491.40
Nov-18	538.50	36194.30	10876.75	538.05
Dec-18	523.55	36068.33	10862.55	524.30
Jan-19	497.70	36256.69	10830.95	495.95
Feb-19	590.15	35867.44	10792.50	590.10
Mar-19	614.35	38672.91	11623.90	612.75

Registrar and Share Transfer Agent (R&T Agent)

Members may correspond with the Company's Registrar and Share Transfer Agent – M/s. TSR Darashaw Consultants Private Limited, quoting their folio no./DP ID and Client ID at the following address:

Name & Address : TSR Darashaw Consultants Private Limited ("TSRDCPL")
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011

Unit : Tata Communications Limited

Telephone : 91 22 6656 8484

Fax : 91 22 6656 8494

E-mail : csg-unit@tsrdarashaw.com

Website : www.tsrdarashaw.com

Share transfer system

During the year, transfer of shares in physical form were processed by the R&T Agent within 15 days of receipt, provided that the documents were complete in all respects. The Stakeholders Relationship Committee and certain company officials (including the Company Secretary) are empowered to approve share transfers. Transfers of shares in electronic form are effected through the depositories with no involvement of the Company.

Pursuant to the circulars issued by SEBI during the year, transfer of shares can only be processed in electronic form with effect from April 1, 2019. Shareholders holding shares in physical form are advised to dematerialise their holdings at the earliest.

Shareholding Pattern

a. Distribution of shareholding as at March 31, 2019

Range	March 31, 2019				March 31, 2018			
	Number of Shares	% to Capital	Number of shareholders	% of shareholders	Number of Shares	% to Capital	Number of shareholders	% of shareholders
1 to 500	3,355,229	1.18	52,251	95.10	3,962,924	1.39	59,086	94.18
501 to 1000	944,114	0.33	1,207	2.20	1,227,782	0.43	1,583	2.52
1001 to 10000	3,270,470	1.15	1,280	2.33	4,688,097	1.64	1,779	2.84
Over 10000	277,430,187	97.34	206	0.37	275,121,197	96.53	288	0.46
Total	**285,000,000**	**100.00**	**54,944**	**100**	**285,000,000**	**100.00**	**62,736**	**100.00**

b. Categories of shareholders as at March 31, 2019

Category	Number of equity shares held	Percentage of holding(%)
Promoters and Promoter Group		
1. Central Government	74,446,885	26.12
2. Tata Group		
i. Panatone Finvest Limited	99,172,854	34.80
ii. Tata Sons Private Limited	40,087,639	14.07
iii. The Tata Power Company Limited	-	-
Public		
1. Institutions		
i. Mutual Funds	1,333,833	0.47
ii. Banks and Financial Institutions	66,357	0.02
iii. Insurance Companies	4,839,659	1.70
iv. Foreign Institutional Investors	357,694	0.13
v. Foreign Portfolio Investors	51,378,291	18.03
vi. Central Government / State Government / President of India	765,170	0.27
2. Non-Institutions		
i. Foreign Bodies / Clearing Members / LLP / BC NBFC / BC NON-NBFC / Trusts / HUF / NRIs	2,372,190	0.83
ii. Bodies Corporate	596,363	0.21
iii. Indian Public and others	9,528,380	3.34
iv. Investor Education and Protection Fund	54,685	0.02
Grand Total	**285,000,000**	**100.00**

Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form on the NSE and BSE. Equity shares representing approximately 99.96% of the Company's share capital are dematerialised as at March 31, 2019.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments. Consequently, as at March 31, 2019, it does not have any GDRs / ADRs / Warrants or convertible instruments outstanding.

Commodity price risk or foreign exchange risk and hedging activities

For details regarding foreign exchange risks, please refer to the Management Discussion and Analysis report.

Equity shares in suspense account

The Company does not have any Equity Shares in suspense account.

Transfer of unclaimed or unpaid amounts to Investor Education and Protection Fund ('IEPF')

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, shares in respect of such dividends which have not been claimed for a period of seven (7) consecutive years are also liable to be transferred to the demat account of the IEPF Authority.

In light of the aforesaid provisions, the Company has, during the year, transferred to the demat account of the IEPF Authority, 14,142 shares in respect of which dividend remained unclaimed for seven (7) consecutive years. Shareholders who have a claim on such shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the shares so transferred.

Shareholders who have not encashed their dividend warrant(s) so far for the financial year ended 2011-12 or any subsequent financial years are requested to lodge their claims with TRSDCPL. No claims shall lie against the Company for the amounts of dividend so transferred.

Details of Non-Convertible Debentures (NCD) issued and outstanding as at March 31, 2019

Sr. No.	NCD Series / ISIN	Principal amount outstanding as at March 31, 2019 (₹)
i.	9.85% Unsecured Non-Convertible Redeemable Debentures (INE151A08059)	1,50,00,00,000

During the year, the Company redeemed 50 Secured Non-Convertible Redeemable Debentures having a coupon rate of 11.25% and a principal amount of ₹5,00,00,000/.

Credit Ratings

The Company has obtained ratings from Brickworks Ratings India Pvt. Ltd., CRISIL and CARE Ratings Ltd. during the financial year 2018-19. There has been no change in credit ratings of the Company during the financial year 2018-19.

Rating Agency	Credit Rating
Brickworks Ratings India Pvt. Ltd.	BWR AAA
CARE Ratings Limited	CARE AA+ (Non-Convertible Debentures) CARE A1+ (Bank Facilities)
CRISIL	CRISIL A1+

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W / E300004) have been appointed as the Company's Statutory Auditors. The total fees paid by the Company and its subsidiaries, on a consolidated basis, for all services rendered by the Statutory Auditor and its affiliate entities is given below:

Particulars	Amount in ₹
Fees for audit and related services paid to S.R. Batliboi & Associates LLP and Affiliates firms of the network of which the statutory auditor is a part	67,502,000
Other fees paid to Affiliates firms and to entities of the network of which the statutory auditor is a part	67,343,294
Total	**134,845,294**

Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address as registered with their Depository Participants / Registrar & Share Transfer Agents. Shareholders who have not registered their e-mail addresses are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned Depository Participants. Shareholders who hold shares in physical form can register their e-mail address with the R&T Agent.

Share Capital History Since Incorporation

Dates	Particulars of issue	Number of shares	Total number of shares	Nominal value of shares (₹ in '000)
March 19, 1986	Allotted as Purchase consideration for assets & liabilities of OCS	126	126	126
April 1, 1986	Allotted as Purchase consideration for assets & liabilities of OCS	599,874	600,000	600,000
March 1991	Shares of ₹1000/- each subdivided into shares of ₹10/- each	-	60,000,000	600,000
February 6, 1992	Bonus of 1:3 issued to Government of India.	20,000,000	80,000,000	800,000
January-February 1992	12 million shares disinvested in favour of Indian Financial Institutions by GOI @ ₹123/- per share	-	80,000,000	800,000
1994-1995	2,382,529 Shares transferred to disinvested parties as bonus shares	-	80,000,000	800,000
March 27, 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
April 4, 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
February 1999	10 million shares divested by GOI in GDR markets @ US$9.25 per GDR equivalent to ₹786.25 per share.	-	95,000,000	950,000
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.	-	95,000,000	950,000
September 1999	10 lakh shares Divested by GOI in domestic markets @ ₹750 per share.	-	95,000,000	950,000
August 15, 2000	Listing of ADRs on New York Stock Exchange	-	95,000,000	950,000
November 24, 2000	Bonus shares in the ratio of 2:1.	190,000,000	285,000,000	2,850,000
September 27, 2001	Declared dividend @ 500% i.e. ₹50/- per share at 15 AGM.	-	285,000,000	2,850,000
January 2002	Paid special interim Dividend of 750% i.e. ₹75/- per share	-	285,000,000	2,850,000
February 13, 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	-	285,000,000	2,850,000
February 21, 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.	-	285,000,000	2,850,000
April 10, 2002	Open Offer by Panatone Finvest Limited in accordance with SEBI guidelines to acquire up to 57 million shares @ ₹202/- per share	-	285,000,000	2,850,000
June 8, 2002	Open offer complete with Panatone holding total of 128249910 shares including 57 million shares as above.	-	285,000,000	2,850,000
August 13, 2013	Delisting of ADRs from NYSE	-	285,000,000	2,850,000

Plant locations

The Company operates from various offices in India and abroad and has no manufacturing facility.

Registered office

VSB, Mahatma Gandhi Road,
Fort, Mumbai – 400 001.
Tel: +91 22 6657 8765
Email: investor.relations@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
Email: investor.relations@tatacommunications.com
Website: www.tatacommunications.com

Compliance Officer

Mr. Manish Sansi
Company Secretary & General Counsel (India)
Plot No. C-21 and C-36, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 098.
Tel: +91 22 6659 1968
Email: manish.sansi@tatacommunications.com

If you have any queries about the Company's financial statements, please contact:

Corporate Finance

Tata Communications Limited
Plot No. C-21 and C-36, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 098.
Tel: +91 22 6657 8765
Email: investor@tatacommunications.com

If you have any shareholder complaints or queries, please contact:

Registrar and Share Transfer Agent

TSR Darashaw Consultants Pvt. Ltd.
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi,
Mumbai – 400 011
Telephone: +91 22 6656 8484
Fax: +91 22 6656 8494
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

DIVIDEND DISTRIBUTION POLICY OF TATA COMMUNICATIONS LIMITED

Scope, Purpose and Objective of The Policy

The Securities and Exchange Board of India (SEBI), vide its Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A thereby mandating the top five hundred listed entities (based on their market capitalization as on the 31st day of March of every year) to formulate a Dividend Distribution Policy and to disclose such policy in the Annual Report of the Company and on the Company's website.

In accordance with the aforesaid amendment, the Board of Directors (the Board) of Tata Communications Limited (the Company) lay down a broad framework for decisions to be made with regard to distribution of dividend to shareholders and retaining of profits in this Dividend Distribution Policy (Policy), so as to maintain a consistent approach to dividend pay-out plans.

This Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall, in line with this Policy, pay dividend which shall be consistent with the performance of the Company over the years.

The power to recommend dividend rests with the Board of Directors of the Company. The Board may recommend dividend based on considerations enumerated hereunder or other factors as the Board considers appropriate. This Policy shall not be a substitute for the decision of the Board for recommending dividend. The Board retains complete discretion for recommending of dividend as it may consider appropriate.

Dividend Guideline

The Company shall pay dividend in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. The Companies Act, 2013 provides for two forms of dividend – Final and Interim. The process for pay-out of dividend shall be as follows:

a. Final Dividend

- The Board of Directors shall have the power to recommend the final dividend in line with this Policy and based on the profits as per the annual financial statements.
- The dividend recommended by the Board shall be approved / declared by the shareholders at the Annual General Meeting.
- The dividend declared at the Annual general meeting shall be paid within 30 days from date of declaration to the shareholders entitled to receive the same.

b. Interim Dividend

- The Board of Directors shall have the absolute power to declare interim dividend at any time during the financial year.
- The Board shall declare interim dividend on the basis of the financial position of the Company and in line with the considerations of this Policy.
- The dividend so declared shall be paid within 30 days from date of declaration to the shareholders entitled to receive the same.

Key Parameters to be Considered While Declaring Dividend

A. Financial Parameters

Dividend shall always be declared and paid in accordance with the Companies Act, 2013 and the rules made thereunder.

In computing the aforesaid, the Board may consider inter-alia the following parameters:

i. Capital requirements including proposals for major capital expenditures
ii. Profits earned during the financial year
iii. Overall financial condition
iv. Cost of raising funds from alternate sources
v. Liquidity and cash flow position
vi. Obligations to creditors
vii. Post dividend EPS

The Board may, at its discretion, declare a Special Dividend under certain circumstances such as extra-ordinary profits from sale of investments, etc.

B. Internal & Extrnal Factors

The dividend pay-out decision depends on several internal and external factors and inter-alia includes the following:

1. Internal Factors

i. Past performance of the Company
ii. Expansion plans for existing business
iii. Plans for additional investments in subsidiaries / associates
iv. Strategy for investments into additional businesses
v. Any other factor as may be deemed fit by the Board

2. External Factors

i. Macroeconomic conditions
ii. Money market conditions
iii. Taxation and other statutory and regulatory considerations
iv. Providing for unforeseen events and contingencies with financial implications

C. Manner of Utilisation of Retained Earnings

The profits earned by the Company can either be retained in business or distributed to shareholders. The Board may also strike a balance by retaining part of the profits and distribute the balance among shareholders in the form of dividend. The Board may also retain earnings so as to make better use of available funds to increase the value of the business for the stakeholders in the long run. The Board may consider various factors to determine the utilisation of retained earnings including, but not limited to: strategic expansion plans, diversification of business, cost of raising capital from other sources and other factors as the Board may deem fit.

Circumstances Under which Dividend Pay-Out may be Expected

The Board shall inter-alia consider the factors provided in this Policy at the time of determination of dividend pay-out. Dividend shall be paid in compliance with the relevant provisions of the Companies Act, 2013 and the rules made thereunder. The Board shall make its decision on Dividend pay-out after taking into consideration the prospective opportunities for expansion and shall endeavour to arrive at a decision which balances the interests of the shareholders and the Company alike.

Provisions for Dividend with Regard to Various Classes of Shares

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. The Company shall pay all dividend on such equity shares in line with this policy.

Dividend on Preference Shares and shares of other classes, if and when issued by the Company, shall be determined in accordance with the terms and conditions of issue of such shares.

Review and Amendment

The Board of Directors of Tata Communications Limited has approved and adopted this 'Dividend Distribution Policy'. The Board of Directors may, if thought fit, review and amend the Policy, as and when required.

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

This is to confirm that Tata Communications Limited ("the Company") has adopted a Code of Conduct for its Board Members and senior management.

I confirm that the Company has in respect of the financial year ended March 31, 2019, 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: May 8, 2019	**Manish Sansi** Company Secretary & General Counsel (India)	**Vinod Kumar** Managing Director & Group CEO

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members of
Tata Communications Limited
VSB, Mahatma Gandhi Road, Fort,
Mumbai – 400001

1. The Corporate Governance Report prepared by Tata Communications Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable Criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the register of directors as on March 31, 2019 and verified that at least one woman director was on the Board during the year;

   iv. Obtained and read the minutes of meetings of the following, held from April 1, 2018 to March 31, 2019:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting;

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders Relationship Committee;

(f) Corporate Social Responsibility Committee;

(g) Independent Directors' Meeting; and

(h) Risk Management Committee;

v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Basis for Qualified Opinion

8. Based on the procedures performed by us as referred to in paragraph 7 above and according to the information and explanations provided to us,

   a. The number of independent directors of the Company for the period 01st April 2018 to 10th September 2018 was less than one third of the number of Board of Directors of the Company, as required by Regulation no. 17(1)(b) of the Listing Regulations, for the reasons explained in the Company's 'Report on Corporate Governance for the financial year 2018-19'.

Qualified Opinion

9. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, except for the matters stated in paragraph 8 above, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This report 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.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Prashant Singhal
Partner
Membership Number: 93283

Place of Signature: Mumbai
Date: May 8, 2019

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

The Members of
Tata Communications Limited
VSB, Mahatma Gandhi Road, Fort,
Mumbai – 400001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance 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, 2019 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, 2019 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) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(c) Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

I report that during the year under review, there was no action/event in pursuance of –

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;

(e) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; and

(f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.

(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 with regard to the Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by 'The Institute of Company Secretaries of India'; and

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company has 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 *except with regard to appointment of Independent Directors to the extent of 1/3rd of the total strength of the Board till 10th September, 2018.*

   It is clarified by the Company that the delay in appointment of an Independent Director is, since the matter is required to be pursued with the Government of India and the Strategic Partner for indicating suitable names to consider for appointment as Independent Directors on the Board.

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 with proper balance of Executive Directors and Non-Executive Directors *with the exception of appointment of Independent Directors to the extent of 1/3rd of the total strength of the Board till 10th September, 2018.*

- 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 most of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exits for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- As per the minutes of the meeting duly recorded and signed by the chairman, decisions of the Board were unanimous and no dissenting views have been recorded.

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.

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

Date: May 8, 2019
Place: Mumbai

ANNEXURE A

The Members of
Tata Communications Limited
VSB, Mahatma Gandhi Road, Fort,
Mumbai – 400001

My report of even date is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Mumbai
Date: May 8, 2019

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:**

   manish.sansi@tatacommunications.com

6. **Financial Year reported:**

   April 1, 2018 to March 31, 2019

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Name & Description of services	NIC Code
Telecommunications:	
a. Activities of providing internet access by the operator of the wired infrastructure	61104
b. Other satellite telecommunications activities	61309
c. Other telecommunications activities	61900

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

   a) Voice Solutions (VS) and

   b) Data Managed Services (DMS)

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 March 31, 2019, the Company has 54 subsidiaries in 36 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 telecommunications services across the globe.

Section B: Financial Details of the Company

1. **Paid up Capital (₹):**

   ₹ 285 crores

2. **Total Income (₹):**

₹ in Crores

	Standalone	Consolidated
Total Income	5481.36	16585.21

3. **Total profit after taxes (₹):**

₹ in Crores

	Standalone	Consolidated
Profit (loss) after taxes	(442.32)	(80.43)

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

   During the year 2018-19, ₹13,94,00,001 (2% of profit after tax) was spent on CSR of which around 37% was on affirmative action and communities.

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

   a. Education

   b. Employability & Sustainable Livelihoods

   c. Healthcare

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/Director 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 Business Responsibility Policy/Policies:**

   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business responsibility. Briefly, they are as follows:

Principle 1

Business should conduct and govern themselves with ethics, transparency and accountability.

Principle 2

Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3

Business should promote the wellbeing of all employees.

Principle 4

Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principle 5

Business should respect and promote human rights.

Principle 6

Business should respect, protect and make efforts to restore environment.

Principle 7

Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8

Business should support inclusive growth and equitable development.

Principle 9

Business should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of Compliance (Reply in Y/N)

No.	Questions	P1	P2	P 3	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 been 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 been approved by the Board? If 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?	www.tatacommunications.com/ investors/governance.								
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

If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P 3	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	✓	✓	✓	✓	✓	✓	✓	✓	✓
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 meet 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?**

  We are committed to transparency in our communication with all our stakeholders and communicate periodically with all our stakeholders through various internal and external platforms, as relevant.

  As part of our communication with our stakeholders, we report our Environment, Social, Governance and Financial performance of our company through Business Responsibility Report (Annexure of Annual Report). The Business Responsibility Report includes disclosure on the nine National Voluntary Principles released and mandated by Ministry of Corporate Affairs, Government of India. Further, the Company has been submitting and participating in voluntary sustainability reporting initiatives like Carbon Disclosure Projects since 2013. Business Responsibility Report which is a part of the Annual Report can be found on our website.

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 entities / Suppliers / Contractors / NGOs / Others?

   Tata Code of Conduct and Tata Communications' Anti-corruption Policy are applicable to Tata Communications Limited and its subsidiaries ("Company"). The Company takes a risk based approach to cascade the obligation to comply with the aforementioned policies to third parties such as vendors, partners, NGOs, etc. The Company may waive this requirement for selected vendors; however, such waiver is granted only when the company has reviewed similar policies of the vendor and is satisfied that the vendor's policies have principles/conditions no less stringent than those set forth in the Tata Code of Conduct and Tata Communications' Anti-corruption Policy. Furthermore, in these instances, a copy of the vendor's code of conduct and/or anti-corruption policy is attached as an exhibit to the governing agreement.

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 2018-19:

Financial Year	Complaints reported, investigated and closed	Complaints found to be valid and actioned
2018-19	36 (includes 6 complaints which are under investigation)	15

Principle 2

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

   Tata Communications is a leading global provider of telecommunications solutions serving voice, data and next-generation service needs of carriers, enterprises and consumers across the world. The Company does not deal in any physical products. However, the Company believes in the principles of Environmental and Social Stewardship at the forefront, and is moving ahead with the following objective:

   - 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

   Tata Communications believes in developing and delivering green solutions to its customers to help them enhance their competitiveness and to allow their supply chains to be environmentally friendly. Telepresence is one such offering by Tata Communications that is helping customers decrease their reliance on business travel, thereby reducing CO2 emission rates. Tata Communications' Telepresence Exchange Service provides companies with a virtual meeting space that is both cost-effective and an environmentally responsible alternative to business travel. A growing number of enterprises leverage our Telepresence exchange service to conduct virtual business meetings that help reduce company costs and decrease CO2 emission rates.

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?

   At Tata Communications, we understand that our main impact on carbon or other greenhouse gas emissions comes using indirect energy. We consume nearly 201 million Kilowatt Hours (KwH) of energy mainly comprising of indirect power supply (98%) from the national grid whereas rest comes from the conventional sources. Our primary focus area is to reduce these indirect emissions and hence there is an on-going move to use renewable energy at key locations of Tata Communications.

   In the last few years, we've invested in RE projects to meet the increasing energy demand for customer services, as well as our own facilities. These initiatives include addition of 10 MW agreement (off site) at Chennai location in India. Our total solar power generation capacity is up to 5 megawatt (MW) (on site for both IDC and non-IDC) and we plan to add more than 850 KW next year at Hyderabad and Pune. We've also signed agreements with wind power suppliers in Tamil Nadu, Karnataka and Hyderabad for 130 million units (kilowatt hours) per annum (for both IDC and non-IDC) to serve facilities at Chennai, Bangalore and Hyderabad.

Last year we completed the Renewable Energy Assessment studies with the help of expert consultants like Deloitte and PTS: Schneider Electric for India region and International Region (UK, Guam, North America, Japan, Portugal, Spain and Singapore) respectively. The exercise was planned under two phases wherein maximum focus was given to India region primarily because of great infrastructure space and high energy consumption pattern. The study confirmed that Tata Communications has a scope to expand its exsting Renewable Energy (RE) Capacity by 34.3 Million units every year which will increase our existing RE percentage ~ 16.5% to 32 %. We are exploring oppurtunities for capacity addition in India and internationally.

The Company is also an ISO 14001 compliant organization 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).

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

Tata Communications believes in developing and delivering green solutions to its customers to help them enhance their competitiveness and to allow their supply chains to be environmentally friendly. Telepresence is one such offering by Tata Communications that is helping customers decrease their reliance on business travel, thereby reducing CO2 emission rates. Tata Communications' Telepresence Exchange Service provides companies with a virtual meeting space that is both cost-effective and an environmentally responsible alternative to business travel. A growing number of enterprises leverage our Telepresence exchange service to conduct virtual business meetings that help reduce company costs and decrease CO2 emission rates.

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 and 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 telecommunications 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 communications 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 cover the Company and also extend to the group and associates and suppliers and contractors.

Principle 3

1. **Please indicate the Total number of employees.**

   Tata Communications Limited along with its subsidiaries employs 10,752 on-roll employees as on March 31, 2019.

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

   On-roll Employees – 10,752
   Manpower Off-roll Employees – 184
   Total Employees – 10,936
   Contractors - 5,859

3. **Please indicate the Number of permanent women employees.**

   2,417 permanent women employees (22.5% of total on-roll 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?**

   2.5% employees. (India Employees: 267)

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.**

S. 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	7	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**

   Yes. The Company considers communities in the areas of its larger operations as primary stakeholders.

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

   Yes.

   The Company focuses on youth, women and children from socially and economically underserved and vulnerable backgrounds.

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.**

   Yes.

   Tata Communications is committed to creating empowered and connected societies for sustainable development through innovative practices. We have three priority areas - healthcare, education, and employability & sustainable livelihoods. In line with our business, digital enablement is the cornerstone of all our initiatives, which are also aligned to the Sustainable Development Goals (SDGs). An emphasis on affirmative action enables the Company to impact the lives of Dalits and Tribals and live up to its commitment of resolving the fundamental concerns of the communities.

Principle 5

1. **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.

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

   None

Principle 6

1. **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 and suppliers and contractors subject to it being limited to the Company's contracts and arrangements.

2. **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.**

   At Tata Communications, we recognise that we have both social and economic responsibility to act to reduce our footprint and to engage constructively on climate change issues. By understanding the risks and opportunities of climate change, and how these affect the organisation, we can reduce our own impact on the environment and make a positive contribution to the debate. Our innovation efforts are focused on enhancing our energy efficiency, finding more carbon-neutral solutions for network operations including data centres. The approach on Energy and Climate Change management is governed by the company's Environmental policy, the group's Tata Code of Conduct (TCOC) and Tata Group Climate Change Steering Committee.

   In the Company's environmental policy, Tata Communications commits to prevent pollution, conserve resources, comply with applicable legal & other requirements relating to environment, and to continually improve its environmental performance. The policy includes a commitment to continual improvement and prevention of pollution, as well as a commitment to comply with applicable legal and other environmental legislation.

   Tata Communications has also adopted the Tata Group Climate Change Policy. As per this policy, Tata Communications shall engage actively in climate change advocacy and incorporate 'green' perspectives in all key organisational processes. At a Group level, the Climate Change Steering Committee provides a common framework and governance mechanism for all Tata companies to implement climate change policies.

   We periodically report on environmental stewardship and actions in managing climate change through Carbon Disclosure Project - CDP (a network organization which works with stakeholders and corporations to disclose the greenhouse gas (GHG) emissions of major corporations). Tata Communications has received a score of B Grade which is within the "Management Band". "Management Band" is awarded to companies which provide a comprehensive disclosure on environmental issues and recognize the need to implement changes to business strategy for reducing emissions and aligning with environmental goals. The awarded grade is higher than the General sector average of B- and higher than the Asia regional average of C. CDP submissions are available on www.cdp.net/en.

3. **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.

4. **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.

5. **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.

   In the last few years, we've invested in RE projects to meet the increasing energy demand for customer services, as well as our own facilities. These initiatives include addition of 10 MW agreement (off site) at Chennai location in India. Our total solar power generation capacity is up to 5 megawatt (MW) (on site for both IDC and non-IDC) and we plan to add more than 850 KW next year at Hyderabad and Pune.

We've also signed agreements with wind power suppliers in Tamil Nadu, Karnataka and Hyderabad for 130 million units (kilowatt hours) per annum (for both IDC and non-IDC) to serve facilities at Chennai, Bangalore and Hyderabad.

Last year we completed the Renewable Energy Assessment studies with the help of expert consultants like Deloitte and PTS: Schneider Electric for India region and International Region (UK, Guam, North America, Japan, Portugal, Spain and Singapore) respectively.The exercise was planned under two phases wherein maximum focus was given to India region primarily because of great infrastructure space and high energy consumption pattern. The study confirmed that Tata Communications has a scope to expand its existing Renewable Energy (RE) Capacity by 34.3 Million units every year which will increase our existing RE percentage ~ 16.5% to 32 %. We are exploring oppurtunities for capacity addition in India and internationally.

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 14001 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 Telecommunications, Government of India, Telecom Regulatory Authority of India including interactions between industry associations like FICCI, ISPAI and relevant Ministries (Department of Telecommunications, Department of Information Technology, Ministry of Home Affairs) to support long term policy formulation in the Telecom sector as well as 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 Limited. 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 Limited participates in all such consultation processes which are relevant to its line of business and puts forth its views 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.

   Information and Communications Technology (ICT), a core business expertise of Tata Communications, is widely recognized to enable innovations at multiple levels. The United Nations recognizes ICT as a 'means of implementation' for the 17 Sustainable Development Goals (SDGs). Tata Communications believes that it is ideally positioned to support the realization of the Global Goals and has therefore adopted the SDG framework for its companywide Corporate Social Responsibility (CSR) programs. We collaborate with NGOs to implement long term projects in the areas of healthcare, education and employability & sustainable livelihoods.

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

   The entire CSR portfolio is managed by a dedicated team of in-house CSR professionals. We collaborate with NGOs/trusts and agencies to implement projects. Additionally, through an Employee Volunteering Program, we utilise the skills of our employees to support different projects.

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

   Yes.

   Impact assessment is key to the CSR initiatives of the Company and is integrated into the design of the projects. It is done through:

   (1) Social impact study – The assessments are carried out by third parties through primary (field-based) and secondary research.

   (2) Rapid assessment – Usually conducted by the CSR function of the Company from time to time to address specific questions pertaining to a project.

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

   Tata Communications' direct contribution to community development projects for FY 2018-19 was ₹13.94 crores. Details of the projects are provided in 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.**

   Our community development initiatives are undertaken in a project mode with specific targets, outcomes, activities, milestones and responsibilities. As a practice, Tata Communications establishes long term multi-year partnerships, to provide ample time for creating an impact. All projects undergo quarterly monitoring with a defined, project specific Monitoring and Evaluation framework. Monitoring is done through a cloud based technological tool that enables partners to upload real time data. Additionally, regular interactions and site visits are conducted by the company's CSR team to assess the progress of the projects. Third party impact assessment is incorporated in the design of the project.

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 telecommunications 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 telecommunications services; the same is not applicable.

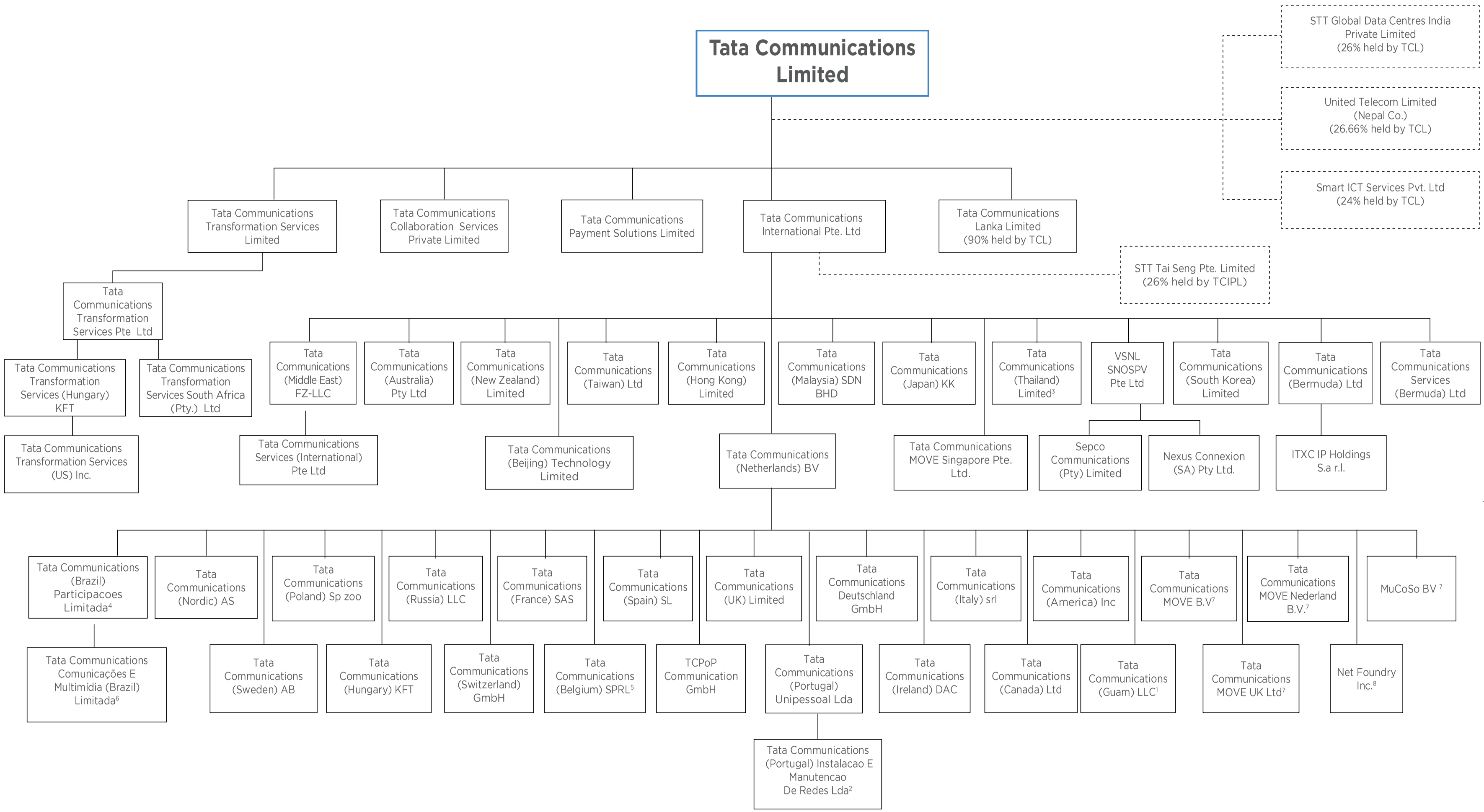
3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

   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.

Tata Communications Corporate Structure



Notes

1 1% owned by Tata Communications (Netherlands) BV.
2 50% owned by Tata Communications (Netherlands) BV.
3 Tata Communications (Netherlands) BV and Tata Communications (Hong Kong) Limited holds 1 share each.
4 Tata Communications (Brazil) Participacoes Limitada: 90% shares held by Tata Communications (Netherlands) BV & 10% by Tata Communications (UK) Limited.
5 Tata Communications (UK) Limited holds 1 share in Tata Communications (Belgium) SPRL.
6 Tata Communications Comunicações E Multimídia (Brazil) Limitada: 90% shares held by Tata Communications(Brazil) Participacoes Limitada and 10% by Tata Communications (Netherlands) BV.
7 Tata Communications MOVE B.V. (earlier known as Teleena Holding B.V.), Tata Communications MOVE Nederland B.V. (earlier known as Teleena Nederland B.V.), Tata Communications MOVE UK Limited (earlier known as Teleena UK Limited), Tata Communications MOVE Singapore Pte. Ltd. (earlier known as Teleena Singapore Pte. Ltd.) and MuCoso B.V. acquired wef October 2, 2018
8 NetFoundry Inc. is a 100% subsidiary of Tata Ccommunications (Netherlands) BV wef February 21, 2019.

Dotted lines indicate 'ASSOCIATES'(i.e. entities in which Tata Communications Limited holds between 20% to 50% equity)
Blue Box indicates company serves as both operating and holding company (or in some cases, merely a holding company).

Independent Auditor's Report

To the Members of **Tata Communications Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Tata Communications Limited (the "Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended (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, 2019, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of investments in Subsidiaries and Associate (as described in note 6 of the financial statements)	
Annually, the management assesses the existence of impairment indicators for each non-current investment and in case of occurrence, such investments are subjected to an impairment test. As at the reporting date, the Company has non-current investments in subsidiaries, associates and others amounting to ₹ 3,423.59 crs, out of which, the management has identified impairment indicators such as net worth erosion and loss in the current year, in respect of certain investments in subsidiaries. Accordingly, these investments have been tested for impairment as at year end in accordance with Indian Accounting Standard ('Ind AS') 36, "Impairment of Assets" Based on the management's assessment, an impairment provision of ₹ 660.02 crs has been recorded in the books as at the year-end. In consideration of the judgments required in particular with reference to the forecast of cash flows and the assumptions used in estimating the value-in-use of these subsidiaries, we have identified this matter to be a key audit matter.	Our audit procedures related to this key audit matters included the following: We assessed the processes and key controls implemented by the Company related to the identification of impairment loss and determination of necessary impact thereof. We obtained the business projections, specified in the Annual Operating Plan of the Company for the financial year 2019-20. We have understood the reasons for the projected growth basis our discussion with the Management and compared the projections with the past trend. We assessed the valuation methodology and evaluated the key assumptions used by the management in the valuations, by comparing with those prevailing in the sector, using valuation experts, who also performed an independent calculation and sensitivity analysis on key assumptions.
Income from Access Facilitation Charges ('AFC') on Cable Landing Stations ('CLS') (as described in note 24(i) of the financial statements)	
On November 28, 2018, Telecom Regulatory Authority of India ('TRAI') re-enacted schedules to 2012 Regulation, containing AFC and Operation & Maintenance (O&M) recovery rates with respect to the use of CLS, pursuant to the High Court judgement dated July 2, 2018 and the Hon'ble Supreme Court judgment dated October 8, 2018. TRAI specified that these revised rates are applicable prospectively. The Company had been recognizing AFC revenue and recovery of the O&M charges, as per the erstwhile rates specified in schedules to 2012 Regulation. In view of above facts, during the current year, the Company has recognized the differential AFC revenue of ₹ 89.94 crs and recovery of the O&M charges of ₹ 258.81 crs, for the period January 2013 to November 2018, as per the rates specified in the contracts with the customers. Further, there is a corresponding increase in Network and transmission expenses due to transfer pricing adjustment. The customers have contested the revised order in the Hon'ble Supreme Court, indicating potential uncertainty with respect to its collection. The Hon'ble Supreme Court in its hearing held on January 28, 2019, have directed the matter to TDSAT for evaluation and have requested the service providers to continue with the services till the disposal of the matter. Considering the fact that the matter is currently litigative and the management has exercised significant judgement in accounting for the same, we have considered the matter to be a key audit matter.	Our audit procedures related to this key audit matters included the following: We have evaluated the customer correspondences and various judgements pronounced by the High court / the Hon'ble Supreme Court and relied upon the independent legal opinions obtained by the Company in this regard. We checked the underlying computation of necessary adjustments recorded in the books.

Key audit matters	How our audit addressed the key audit matter
Contingent liabilities including regulatory matters (as described in note 44(a) of the financial statements)	
As at year end, the Company has contingent liabilities on account of claims raised by various government authorities and litigations in progress. Such claims and litigations primarily include income tax and license fee related matters. Income tax matters mainly relate to disallowance of deductions claimed under section 80 IA of the Income Tax Act, 1961 from assessment years 1996-97 onwards and transfer pricing adjustments added to the assessed income by the revenue authorities. License fee matters comprise of the litigation for renewal of Internet Service Provider license, demands from Department of Telecommunication on the Statement of Adjusted Gross Revenue and License Fees, submitted for the financial years starting from 2002-03 to 2005-06 and demands based on special audit for the financial years 2006-07 and 2007-08. Considering the complexity and uncertainty involved in these litigations and judgement applied in determination of potential outflow as possible, the matter has been considered to be a key audit matter.	Our audit procedures related to this key audit matters included the following: We have assessed the management's assessment of such claims and litigations with the help of experts. With respect to the license fee matters, we have read the independent legal opinions, obtained by the management, to substantiate its positions on the litigated matters. Besides, we have read and checked the underlying supporting documents such as demand letters, computations, etc in order to assess the accuracy and completeness of the amounts disclosed.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (but does not include the standalone Ind AS financial statements and our auditor's report thereon). The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and perform all procedures as required by SA 720.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of

section 143 of the Act, we give in the "Annexure 1" 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) 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, as amended 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 standalone Ind AS financial statements – Refer Note 44 to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      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.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Prashant Singhal
Partner
Membership Number: 93283

Place of Signature: Mumbai
Date: May 8, 2019

Annexure 1 referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our Report of even date

Re: Tata Communications Limited (the "Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment and investment property are held in the name of the Company except three immovable properties aggregating to gross block of ₹ 34.58 crores and net block of ₹ 22.15 crores as at March 31, 2019, for which title deeds were pending registration or not available with the Company and hence, we are unable to comment on the same.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company, to the extent these sections are applicable on the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to International long distance services, National long distance services, Internet service provider services and certain other services and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and service tax, sales tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income tax, sales tax, service tax, value added tax and other statutory dues on account of any dispute, are as follows:

Name of Statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	672.78	FY 2006-07 to FY 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1.02	FY 1996-1997	Appellate Authority, Income Tax Officer
Income Tax Act, 1961	Income Tax	48.40	FY 2012-13	Appellate Authority, Income Tax Officer
Income Tax Act, 1961	Income Tax	72.78	FY 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	203.89	FY 02-03 to 04-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.15	FY 06-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	74.42	FY 08-09 to 10-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	224.83	FY 98-99 to FY 00-01	High Court
Income Tax Act, 1961	Income Tax	141.49	FY 01-02	High Court
Income Tax Act, 1961	Income Tax	0.35	FY 05-06	High Court
Income Tax Act, 1961	Income Tax	3.74	FY 05-06	Supreme Court
Income Tax Act, 1961	Income Tax - TDS	1.99	Various Years	Commissioner (Appeal) (TDS) - Income Tax
Income Tax Act, 1961	Income Tax - TDS	0.26	Various Years	Income Tax Appellate Tribunal
Sales Tax, West Bengal	Sales Tax	1.86	FY 2006-07 to 2007-08	High Court of West Bengal
Finance Act, 1994	Service Tax	23.14	Various Years	Central Excise and Service Tax Appellate Tribunal
Goods And Services Tax Act, 2017	Goods and Service Tax	0.16	FY 17-18	The Deputy Commissioner (Appeals)- Gujarat
Value Added Tax, West Bengal	Value Added Tax	1.90	FY 2014-15	Fast Track Revisional Authority, Commercial Taxes, West Bengal

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of debentures, initial public offer / further public offer and term loans, hence, reporting under clause (ix) is not applicable to the Company and not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud on the Company or by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence, not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Prashant Singhal
Partner
Membership Number: 93283

Place of Signature: Mumbai
Date: May 8, 2019

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Tata Communications Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Tata Communications Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Prashant Singhal
Partner
Membership Number: 93283

Place of Signature: Mumbai
Date: May 8, 2019

Balance Sheet as at 31 March 2019

(₹ in crores)

Particulars	Note	As at 31 March 2019	As at 31 March 2018 Refer Note 1
A ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	3,834.25	3,469.83
(b) Capital work-in-progress		190.78	330.36
(c) Investment property	4	262.00	246.77
(d) Other intangible assets	5	454.18	394.93
(e) Intangible assets under development		19.53	46.07
(f) Investment property under development		46.82	-
(g) Financial assets			
(i) Investments	6A	3,423.59	4,048.57
(ii) Other financial assets	7A	104.72	106.93
(h) Deferred tax assets (net)	8	235.63	178.42
(i) Advance tax (net)		1,420.78	1,567.69
(j) Other assets	9A	250.86	246.65
Total non-current assets		**10,243.14**	**10,636.22**
(2) Current assets			
(a) Inventories		63.10	23.93
(b) Financial assets			
(i) Other investments	6B	449.44	162.01
(ii) Trade receivables	1,10	1,296.68	1,221.59
(iii) Cash and cash equivalents	11	146.24	611.82
(iv) Other bank balances	12	3.49	3.21
(v) Other financial assets	1,7B	108.13	125.38
(c) Other assets	9B	301.63	115.82
		2,368.71	**2,263.76**
Assets classified as held for sale	13	2.11	2.77
Total current assets		**2,370.82**	**2,266.53**
Total assets		**12,613.96**	**12,902.75**
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	285.00	285.00
(b) Other equity	15	7,913.88	8,518.46
Total equity		**8,198.88**	**8,803.46**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	-	150.00
(ii) Other financial liabilities	17A	32.79	36.01
(b) Provisions	18A	206.10	211.01
(c) Other liabilities	19A	452.18	453.10
Total non-current liabilities		**691.07**	**850.12**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16B	301.14	368.90
(ii) Trade payables	20		
(A) total outstanding dues of micro enterprises and small enterprises		4.26	4.95
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,797.82	1,293.52
(iii) Other financial liabilities	17B	746.47	489.39
(b) Provisions	18B	46.93	31.56
(c) Current tax liability (net)		201.23	554.29
(d) Other liabilities	19B	626.16	506.56
Total current liabilities		**3,724.01**	**3,249.17**
Total equity and liabilities		**12,613.96**	**12,902.75**

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

PRASHANT SINGHAL
Partner
Membership No. 93283

MUMBAI
Dated: 8 May 2019

For and on behalf of the Board of Directors

RENUKA RAMNATH
Chairperson

VINOD KUMAR
Managing Director
& Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

MANISH SANSI
Company Secretary

MUMBAI
Dated: 8 May 2019

Statement of Profit and Loss for the year ended 31 March 2019

(₹ in crores)

	Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018 Refer Note 1
	INCOME			
I	Revenue from Operations	1, 37	5,389.13	5,252.03
II	Other Income	1, 21	92.23	323.53
III	**Total income (I + II)**		**5,481.36**	**5,575.56**
IV	**Expenses**			
	Network and transmission	22	2,183.66	1,902.42
	Employee benefits	23	921.25	858.87
	Operating and other expenses	24	1,058.25	1,220.41
	Finance cost	26	36.12	40.31
	Depreciation and amortisation	25	890.88	830.25
	Total expenses		**5,090.16**	**4,852.26**
V	**Profit before exceptional items and taxes (III - IV)**		**391.20**	**723.30**
VI	Exceptional items (Refer Note 27-31)		(666.97)	(234.23)
VII	**(Loss)/Profit before tax (V + VI)**		**(275.77)**	**489.07**
VIII	**Tax expense:**	32		
	(a) Current tax		223.83	304.85
	(b) Deferred tax		(57.28)	(82.41)
IX	**(Loss)/Profit for the year (VII - VIII)**		**(442.32)**	**266.63**
X	**Other comprehensive income/ (loss)**			
	(a) Items that will not be reclassified to profit or loss			
	(i) Remeasurement of the defined benefit plans		(13.62)	(1.96)
	(ii) Equity instruments through other comprehensive income		-	(516.12)
	(b) Income tax relating to items that will not be reclassified to profit or loss		4.76	0.82
	Total other comprehensive income/ (loss) (a+b)		**(8.86)**	**(517.26)**
XI	**Total comprehensive income/ (loss) for the year (IX+X)**		**(451.18)**	**(250.63)**
XII	**Earnings per equity share**			
	Basic and diluted (of ₹ 10 each)	36	**(15.52)**	**9.36**

See accompanying notes forming part of the financial statements

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

PRASHANT SINGHAL
Partner
Membership No. 93283

MUMBAI
Dated: 8 May 2019

For and on behalf of the Board of Directors

RENUKA RAMNATH
Chairperson

VINOD KUMAR
Managing Director
& Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

MANISH SANSI
Company Secretary

MUMBAI
Dated: 8 May 2019

TATA COMMUNICATIONS

Cash Flow Statement for the year ended 31 March 2019

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018 Refer Note 1
1 CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT/ (LOSS) BEFORE TAX	(275.77)	489.07
Adjustments for:		
Depreciation and amortisation	890.88	830.25
Fixed assets written off (net)	-	7.50
Accidental damages	-	26.12
Interest income	(4.42)	(33.09)
Finance cost	36.12	40.31
Gain on investments at fair value through profit and loss (net)	(23.54)	(30.07)
Dividend income	(5.91)	(43.08)
Unrealised foreign exchange gain/ (loss) (net)	11.87	2.13
Allowance for doubtful trade receivables	45.59	30.10
Provision for contractual obligation	-	185.59
Provision for inventories and capital work-in-progress	2.74	8.92
Allowance for doubtful advances	11.46	(0.70)
Impairment of investment	660.02	-
Bad debts written off	-	10.14
Gain/ (loss) on disposal of property, plant and equipment (net)	(2.15)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,346.89	1,523.19
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(41.91)	(12.98)
Trade receivables	(120.68)	(392.53)
Other assets	(190.27)	14.14
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	503.61	124.32
Other liabilities	167.04	(23.01)
Provisions	8.35	(34.47)
Cash generated from operations before tax	1,673.03	1,198.66
Income tax paid (net of refund)	(425.16)	(170.11)
NET CASH FROM OPERATING ACTIVITIES	1,247.87	1,028.55
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,164.71)	(891.48)
Proceeds from disposal of property, plant and equipment and intangible assets	4.83	3.43
Proceeds from disposal of assets held for sale	-	3.53
Purchase of non-current investments	(35.04)	(0.04)
Proceeds from sale of non-current investments	-	2.27
Purchase of current investments	(6,192.59)	(5,761.97)
Proceeds from sale of current investments	5,928.70	6,429.33
Loan given to subsidiaries	-	(6.22)
Loan repaid by subsidiaries	-	6.36
Advance received towards assets held for sale	-	67.00
Dividend income from subsidiaries	5.91	43.08
Interest received	3.06	31.83
Earmarked funds	(0.28)	11.65
NET CASH (USED IN) INVESTING ACTIVITIES	(1,450.12)	(61.23)

Cash Flow Statement for the year ended 31 March 2019

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018 Refer Note 1
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	250.30	348.76
Repayment of short-term borrowings	(334.92)	(564.25)
Dividend paid including dividend tax	(153.40)	(201.12)
Interest paid	(25.31)	(25.82)
NET CASH (USED IN) FINANCING ACTIVITIES	**(263.33)**	**(442.43)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**(465.58)**	**524.89**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	**611.82**	**86.93**
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (refer note 11)	**146.24**	**611.82**

See accompanying notes forming part of the financial statements

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

PRASHANT SINGHAL
Partner
Membership No. 93283

MUMBAI
Dated: 8 May 2019

For and on behalf of the Board of Directors

RENUKA RAMNATH
Chairperson

VINOD KUMAR
Managing Director
& Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

MANISH SANSI
Company Secretary

MUMBAI
Dated: 8 May 2019

Statement of Changes in Equity for the year ended 31 March 2019

A. Equity share capital

(₹ in crores)

Particulars	No. of shares	Amount
Balance as at 01 April 2017	**28,50,00,000**	**285.00**
Changes in equity share capital during the year	-	-
Balance as at 01 April 2018	**28,50,00,000**	**285.00**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	**28,50,00,000**	**285.00**

B. Other equity

(₹ in crores)

Particulars	Reserves and surplus					Items of other comprehensive income		Total other equity
	Capital reserve	Securities premium	General reserve	Debenture redemption reserve	Retained earnings	Remeasurement of the defined benefit plans	Equity instruments through other comprehensive income (Refer note 6 (VI)	
Balance as at 1 April 2017	**206.06**	**725.01**	**5,342.00**	**38.75**	**3,105.08**	**(30.65)**	**(416.04)**	**8,970.21**
Profit for the year	-	-	-	-	266.63	-	-	266.63
Other comprehensive income/(loss)	-	-	-	-	-	(1.96)	(516.12)	(518.08)
Tax impact on other comprehensive income/(loss)	-	-	-	-	-	0.68	0.14	0.82
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**266.63**	**(1.28)**	**(515.98)**	**(250.63)**
Dividend paid (including dividend tax)	-	-	-	-	(205.81)	-	-	(205.81)
Dividend tax credit in respect of earlier year	-	-	-	-	4.69	-	-	4.69
Transfer to retained earnings from other comprehensive income	-	-	-	-	1.75	-	(1.75)	-
Balance as at 31 March 2018	**206.06**	**725.01**	**5,342.00**	**38.75**	**3,172.34**	**(31.93)**	**(933.77)**	**8,518.46**
Loss for the year	-	-	-	-	(442.32)	-	-	(442.32)
Other comprehensive income/(loss)	-	-	-	-	-	(13.62)	-	(13.62)
Tax impact on other comprehensive income/(loss)	-	-	-	-	-	4.76	-	4.76
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**(442.32)**	**(8.86)**	**-**	**(451.18)**
Dividend paid (including dividend tax)	-	-	-	-	(153.40)	-	-	(153.40)
Transfer from debenture redemption reserve			1.25	(1.25)				-
Balance as at 31 March 2019	**206.06**	**725.01**	**5,343.25**	**37.50**	**2,576.62**	**(40.79)**	**(933.77)**	**7,913.88**

See accompanying notes forming part of the financial statements

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

PRASHANT SINGHAL
Partner
Membership No. 93283

MUMBAI
Dated: 8 May 2019

For and on behalf of the Board of Directors

RENUKA RAMNATH
Chairperson

VINOD KUMAR
Managing Director
& Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

MANISH SANSI
Company Secretary

MUMBAI
Dated: 8 May 2019

Notes forming part of the financial statements

for the year ended 31 March 2019

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 1 April 1986. During the financial 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 is domiciled in India and its registered office is at VSB, Mahatma Gandhi Road, Fort, Mumbai – 400 001. The Company's shares are listed on two recognised stock exchanges in India.

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

The shareholders at the Annual General Meeting held on 9 August 2018 approved the change to the object clause of the Memorandum of Association to inter-alia include in the objects to be pursued by the Company, leasing, letting out, licensing or developing immovable properties of the Company and to earn income of any nature including inter-alia rental, lease, license income, etc from immovable properties of the Company including land and buildings. Accordingly, the related revenue from real estate business for previous year has been reclassified from 'Other income' to 'Revenue from operations' along with the related receivables in the balance sheet from 'Other financial assets' to 'Trade receivables'. The figures for this business have been disclosed as a separate segment as "Real Estate" in the segment information.

2. Significant accounting policies

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

b. Basis of preparation of financial statements

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer note 2 (o)).

The accounting policies adopted for preparation and presentation of financial statements have been consistently applied except for the changes in accounting policy on introduction of Ind AS 115 that was effective for annual period beginning on or after 1 April 2018.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crores (INR 00,00,000), except when otherwise indicated.

c. Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liability as at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Notes forming part of the financial statements

for the year ended 31 March 2019

i. Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Company as lessor

The Company has entered into commercial property leases ('the leases') on its investment property portfolio. The Company has determined the accounting of the leases as operating lease, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, the fair value of the asset and the fact that it retains all the significant risks and rewards of ownership of these properties.

Impairment of investments in subsidiaries and associates

The carrying values of the investments are reviewed for impairment at each balance sheet date or earlier, if any indication of impairment exists. The Company's business layout and asset structure of its India and International operations are integrated for delivering products and services to its customers in all jurisdictions. For the purpose of impairment testing, the Company prepares and analyses its business units, on detailed budgets and forecast calculations, which are prepared in an integrated way across all jurisdictions.

ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Useful lives of assets

The Company reviews the useful lives of assets at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provision for decommissioning of assets

Provision for decommissioning of assets relates to the costs associated with the

Notes forming part of the financial statements

for the year ended 31 March 2019

removal of long-lived assets when they will be retired. The Company records a liability at the estimated current fair value of the costs associated with the removal obligations, discounted at present value using risk-free rate of return. The liability for decommissioning of assets is capitalised by increasing the carrying amount of the related asset and is depreciated over its useful life. The estimated removal liabilities are based on historical cost information, industry factors and engineering estimates.

d. Cash and cash equivalents

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. Bank overdrafts do not form an integral part of the Company's cash management and so the same is not considered as component of cash and cash equivalents.

e. Property, plant and equipment

Property, plant and equipment is 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 to bring the assets ready for their intended use.

Jointly owned assets are capitalised in proportion to the Company's ownership interest in such assets.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date and is carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

The depreciable amount for property, plant and equipment is the cost of the property, plant and equipment or other amount substituted for cost, less its estimated residual value (wherever applicable).

Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives. The assets' residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Property, plant and equipment	Estimated useful life
i. Plant and machinery	
Network equipment and component**	3 to 8 years
Undersea cable**	20 years or contract period whichever is earlier
Land cable**	15 years or contract period whichever is earlier
Electrical equipment and installations*	10 years
Earth station and switch*	13 years
General plant and machinery*	15 years
ii. Office equipments	
Integrated building management Systems**	8 years
Others*	5 years
iii. Leasehold land	Over the lease period
iv. Leasehold improvements	Asset life or lease period whichever is lower
v. Buildings*	30 to 60 years
vi. Motor Vehicles*	8 to 10 years
vii. Furniture and fixtures*	10 years
viii. Computers *	3 to 6 years

* On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

** In these cases, the useful lives of the assets are different from the useful lives prescribed in Schedule II to the Companies Act, 2013. The useful 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.

Notes forming part of the financial statements

for the year ended 31 March 2019

Property, plant and equipment is eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of occurrence.

Cost of property, plant and equipment also includes present value of provision for decommissioning of assets if the recognition criterias for a provision are met.

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets classified as held for sale are presented separately in the balance sheet and are not depreciated post such classification.

f. Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Indefeasible Right to Use ("IRU") taken for optical fibres are capitalised as intangible assets at the amounts paid for acquiring such rights. These are amortised on straight line basis, over the period of agreement.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the expected useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortised as follows:

Intangible asset	Expected useful life
Software and application	3 to 6 years
IRU	Over the contract period

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

g. Investment properties

Investment properties comprise of land and buildings that are held for long term lease rental yields and/or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising of building are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on building is provided over the estimated useful lives (refer note 2(e)) as specified in Schedule II to the Companies Act, 2013. The residual values, estimated useful lives and depreciation method of investment properties are reviewed and adjusted on prospective basis as appropriate, at each financial year end. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

Though the Company measures investment properties using cost based measurement, the fair values of investment properties are disclosed in note 4.

Investment properties are de-recognised when either they have been disposed of or doesn't meet the criteria of investment property when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

h. Impairment of non-financial assets

The carrying values of assets / cash generating units ("CGU") at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible

Notes forming part of the financial statements

for the year ended 31 March 2019

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 with indefinite useful lives.

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 fair value less cost of disposal 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account

The Company bases its impairment calculation on detailed budgets and forecast. These budgets and forecast generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows after the significant period.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership is classified as a finance lease and all other leases are defined as operating lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term since the payment to the lessor is structured in a manner that the increase is not expected to be in line with expected general inflation.

Notes forming part of the financial statements

for the year ended 31 March 2019

Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to ownership of an asset are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

The Company enters into agreements for granting IRU of dark fibre to third parties. These arrangements are classified as operating leases as the title to the assets and significant risks associated with the operation and maintenance of these assets remain with the Company. Upfront consideration is received for these arrangements and the same is deferred over the tenure of the IRU agreement for recognition of the revenue. Unearned IRU revenue net of the amount recognisable within one year is disclosed as deferred revenue in non-current liabilities and the amount recognisable within one year is disclosed as deferred revenue in current liabilities.

Income from real estate business and dark fibre contracts are considered as revenue from operations.

j. Inventories

Inventories of traded goods, required to provide Data Managed Services ("DMS"), are valued at the lower of cost or net realisable value. Cost includes cost of purchase and all expenses incurred to bring the inventory to its present location and condition. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

k. Employee benefits

Employee benefits include contributions to provident fund, employee state insurance scheme, gratuity fund, compensated absences, pension 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 which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and

Notes forming part of the financial statements

for the year ended 31 March 2019

Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises changes in service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Statement of Profit and Loss. The net interest expense or income is recognised as part of finance cost in the Statement of Profit and Loss.

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.

iii. Other long-term benefits

Compensated absences, which are not expected to occur within twelve months after the end of the period in which the employee renders the related services, are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

l. Revenue recognition

Revenue is recognised upon transfer of control of promised goods or services to the customers. Revenue is recognized upon transfer of control of promised goods or services to the customers for an amount, that reflects the consideration, the Company expects to receive in exchange for those goods or services in normal course of business. Revenue is measured at the fair value of the consideration received or receivable excluding taxes collected on behalf of the government and is reduced for estimated credit notes and other similar allowances.

Types of products and services and their recognition criterion are as follows:

i. Revenue from Voice Solutions (VS) is recognised at the end of each month based on minutes of traffic carried during the month.

ii. Revenue from Data Managed Services (DMS) is recognised over the period of the arrangement based on contracted fee schedule or based on usage. In respect of sale of equipment (ancillary to DMS) revenue is recognised when the control over the goods has been passed to the customer and/ or the performance obligation has been fulfilled.

iii. Contracts are unbundled into separately identifiable components and the consideration is allocated to those identifiable components on the basis of their relative fair values. Revenue is recognised for respective components either at the point in time or over time on satisfaction of the performance obligation.

iv. Bandwidth capacity sale under IRU arrangements is treated as revenue from operations. These arrangements do not have any significant financing component and are recognised on a straight line basis over the term of the relevant IRU arrangement.

v. Exchange/ swaps with service providers for VS and DMS are accounted for as non-monetary transactions.

Accounting treatment of assets and liabilities arising in course of sale of goods and services is set out below:

I. Trade receivable

Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

II. Contract assets

Contract asset is recorded when revenue is recognized in advance of the Company's

Notes forming part of the financial statements

for the year ended 31 March 2019

right to bill and receive the consideration (i.e. the Company must perform additional services or complete a milestone of performance obligation in order to bill and receive the consideration as per the contract terms).

II. **Contract liabilities**

Contract liabilities represent consideration received from customers in advance for providing the goods and services promised in the contract. The Company defers recognition of the consideration until the related performance obligation is satisfied. Contract liabilities include recurring services billed in advance and the non-recurring charges recognized over the contract/ service period.

The incremental cost of acquisition or fulfilment of a contract with customer is recognised as an asset and amortised over the period of the respective arrangement. This includes non recurring charges for connectivity services and incentives for customer contracts as disclosed under network and transmission and employee benefits respectively.

m. Other income

i. Dividend from investments is recognised when the right to receive payment is established and no significant uncertainty as to collectability exists.

ii. Interest income - For all financial instruments measured at amortised cost, interest income is recorded on accrual basis.

n. Taxation

Current income tax

Current tax expense is determined in accordance with the provisions of the Income Tax Act, 1961.

Provisions for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting these balances on an assessment year basis.

Current tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled and are based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offseted if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

o. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Notes forming part of the financial statements

for the year ended 31 March 2019

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of a financial asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

p. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are converted into INR 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 INR 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.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not restated on the balance sheet date.

q. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

r. Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders

Notes forming part of the financial statements

for the year ended 31 March 2019

(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. Provisions and contingent liabilities

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.

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions and contingent liabilities are reviewed at each balance sheet date.

t. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of an instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A. Financial assets

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

iii. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

iv. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group

Notes forming part of the financial statements

for the year ended 31 March 2019

of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and maximum amount of consideration that the Company could be required to repay.

v. Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model for the following:

- Financial assets measured at amortised cost;

- Financial assets measured at FVTOCI;

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at reporting date.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

For assessing ECL on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

B. Financial liabilities

i. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis and using the EIR method.

ii. Guarantee fee obligations

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

iii. De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Notes forming part of the financial statements

for the year ended 31 March 2019

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

D. Derivative financial instruments – Initial and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

E. Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

u. New and amended accounting standards

The Company has adopted Ind AS 115 “Revenue from Contracts with Customers” based on modified retrospective approach effective 01 April 2018. The effect of the changes as a result of adoption of this new accounting standard is described below:

(₹ in crores)

Statement of Profit and Loss	For the year ended 31 March 2019
Revenue from operations – Deferred	(20.26)
Network and transmission – Deferred	15.35
Employee benefits – Deferred	4.67
Adverse impact on Profit before tax	**(0.24)**

(₹ in crores)

Balance sheet	As at 31 March 2019
Other liabilities	(20.26)
Other assets	20.02

The Company has recognised ₹ 115.90 crores as revenue for goods and services transferred to customer at a point in time.

There have been other amendments and interpretations which became applicable for the first time during the year ended 31 March 2019, the same did not have any impact on the financial statements of the Company.

v. Standards issued but not yet effective

The new standards/ amendments to the standards that are issued, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these standards/ amendments, if applicable, when they become effective.

The Ministry of Corporate Affairs (‘MCA’) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 introducing/ amending the following standards:

Notes forming part of the financial statements

for the year ended 31 March 2019

Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company has established an implementation team to implement Ind AS 116 related to the recognition of leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary, including the available transition methods. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The ultimate impact from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. A reliable estimate of the impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

Notes forming part of the financial statements

for the year ended 31 March 2019

3. Property, plant and equipment

(₹ in crores)

Particulars	Freehold land	Leasehold land	Leasehold improvements	Building	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Motor vehicles	Total
Cost										
Balance as at 1 April 2017	**13.13**	**1.42**	**1.01**	**316.53**	**8,926.10**	**139.44**	**80.34**	**393.68**	**0.90**	**9,872.55**
Additions	-	-	2.94	4.68	770.48	11.45	1.72	28.00	0.30	819.57
Disposals/ adjustments	-	-	-	(0.02)	(108.19)	(8.53)	(2.06)	(2.73)	-	(121.53)
Transfers	-	-	-	(8.86)	(0.17)	(0.13)	0.30	(0.03)	-	(8.89)
Balance as at 31 March 2018	**13.13**	**1.42**	**3.95**	**312.33**	**9,588.22**	**142.23**	**80.30**	**418.92**	**1.20**	**10,561.70**
Additions	-	-	2.93	17.98	1,025.65	28.12	12.14	49.03	0.42	1,136.27
Disposals/ adjustments	0.29	-	-	(0.62)	(29.55)	(2.28)	(0.87)	(5.81)	-	(38.84)
Transfers	(2.23)	-	-	(19.55)	0.06	-	-	-	-	(21.72)
Balance as at 31 March 2019	**11.19**	**1.42**	**6.88**	**310.14**	**10,584.38**	**168.07**	**91.57**	**462.14**	**1.62**	**11,637.41**
Accumulated depreciation										
Balance as at 1 April 2017	**-**	**0.02**	**0.76**	**79.35**	**5,906.32**	**100.27**	**56.56**	**336.36**	**0.40**	**6,480.04**
Depreciation	-	-	0.33	6.15	648.62	9.82	6.19	24.48	0.10	695.69
Disposals/ adjustments	-	-	-	(0.01)	(73.77)	(6.70)	(0.67)	(1.87)	-	(83.02)
Transfers	-	-	-	(0.81)	(0.15)	(0.09)	0.24	(0.03)	-	(0.84)
Balance as at 31 March 2018	**-**	**0.02**	**1.09**	**84.68**	**6,481.02**	**103.30**	**62.32**	**358.94**	**0.50**	**7,091.87**
Depreciation	-	-	1.35	6.39	696.35	11.85	7.33	25.92	0.14	749.33
Disposals/ adjustments	-	-	-	(0.51)	(27.15)	(2.23)	(0.67)	(5.78)	-	(36.34)
Transfers	-	-	-	(1.70)	-	-	-	-	-	(1.70)
Balance as at 31 March 2019	**-**	**0.02**	**2.44**	**88.86**	**7,150.22**	**112.92**	**68.98**	**379.08**	**0.64**	**7,803.16**
Carrying amount										
Balance as at 31 March 2018	**13.13**	**1.40**	**2.86**	**227.65**	**3,107.20**	**38.93**	**17.98**	**59.98**	**0.70**	**3,469.83**
Balance as at 31 March 2019	**11.19**	**1.40**	**4.44**	**221.28**	**3,434.16**	**55.15**	**22.59**	**83.06**	**0.98**	**3,834.25**

a. Freehold land includes ₹ 0.16 crores (31 March 2018: ₹ 0.16 crores) identified as surplus land. During the previous year, the Board of Directors of the Company at its meeting held on 13 December 2017, had approved a draft scheme of arrangement and reconstruction ("the Scheme") between the Company and Hemisphere Properties India Limited ("HPIL") and their respective shareholders and creditors. Thereafter, the Company had approached the stock exchanges for their "no objection" to the Scheme. Both BSE and NSE have given their "no objection" to the Scheme. On 5 March 2018, the Company filed the Scheme with the National Company Law Tribunal ("NCLT"), bench at Mumbai. By order of the NCLT dated 26 March 2018, a shareholders' meeting was held on 10 May 2018, at which the shareholders approved the Scheme. Vide its order dated 12 July 2018, the NCLT has approved the Scheme. Further steps for making the Scheme effective are being undertaken by HPIL and the Company.

b. Gross block of buildings includes

   i. ₹ 34.20 crores (31 March 2018: ₹ 34.20 crores) for properties at Mumbai in respect of which title deeds are under dispute as at year end.

   ii. ₹ 0.38 crores (31 March 2018: ₹ 0.38 crores) for sheds at GIDC, Gandhinagar in respect of which agreements have not been executed.

c. Refer note 43 (b) for assets given on operating leases.

d. During the year, transfers include assets transferred from / to intangible assets and investment property respectively.

Notes forming part of the financial statements

for the year ended 31 March 2019

4. Investment property

(₹ in crores)

Particulars	Land	Building	Total
Cost			
Balance as at 1 April 2017	**0.53**	**284.27**	**284.80**
Transfers	-	8.85	**8.85**
Balance as at 31 March 2018	**0.53**	**293.12**	**293.65**
Transfers	2.23	19.55	**21.78**
Balance as at 31 March 2019	**2.76**	**312.67**	**315.43**
Accumulated depreciation			
Balance as at 1 April 2017	**-**	**41.47**	**41.47**
Depreciation	-	4.61	**4.61**
Transfers	-	0.80	**0.80**
Balance as at 31 March 2018	**-**	**46.88**	**46.88**
Depreciation	-	4.85	**4.85**
Transfers	-	1.70	**1.70**
Balance as at 31 March 2019	**-**	**53.43**	**53.43**
Carrying amount			
Balance as at 31 March 2018	**0.53**	**246.24**	**246.77**
Balance as at 31 March 2019	**2.76**	**259.24**	**262.00**

a. Information regarding income and expenditure of investment property

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rental income derived from investment properties (A)	**117.38**	**114.13**
Direct operating expenses (including repairs and maintenance) generating rental income		
Rates and taxes	2.13	(0.64)
Repairs and maintenance	15.00	12.10
Other operating expenses	1.97	0.83
Total (B)	**19.10**	**12.29**
Direct operating expenses (including repairs and maintenance) that did not generate rental income		
Rates and taxes	0.16	0.09
Repairs and maintenance	1.19	1.78
Other operating expenses	0.08	0.06
Total (C)	**1.43**	**1.93**
Total (D) (B+C)	**20.53**	**14.22**
Profit arising from investment properties before depreciation and indirect expenses (E) (A-D)	**96.85**	**99.91**
Less: Depreciation	4.85	4.61
Profit arising from investment properties before indirect expenses	**92.00**	**95.30**

b. Fair value of investment property

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Investment property	1,412.95	1,132.22

Notes forming part of the financial statements
for the year ended 31 March 2019

4. Investment property (Contd..)

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The best evidence of fair value is current price in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

5. Intangible assets

(₹ in crores)

Particulars	Software and application	Indefeasible right to use assets	Total
Cost			
Balance as at 1 April 2017	**650.87**	**422.87**	**1,073.74**
Additions	122.63	42.66	**165.29**
Disposals/ adjustments	(4.27)	-	**(4.27)**
Transfers	0.04	-	**0.04**
Balance as at 31 March 2018	**769.27**	**465.53**	**1,234.80**
Additions	159.67	36.34	**196.01**
Disposals/ adjustments	(0.01)	-	**(0.01)**
Transfers	(0.06)	-	**(0.06)**
Balance as at 31 March 2019	**928.87**	**501.87**	**1,430.74**
Accumulated amortization			
Balance as at 1 April 2017	**411.45**	**301.19**	**712.64**
Amortisation	105.75	24.20	**129.95**
Disposals/ adjustments	(2.76)	-	**(2.76)**
Transfers	0.04	-	**0.04**
Balance as at 31 March 2018	**514.48**	**325.39**	**839.87**
Amortisation	110.08	26.62	**136.70**
Disposals/ adjustments	(0.01)	-	**(0.01)**
Transfers	-	-	**-**
Balance as at 31 March 2019	**624.55**	**352.01**	**976.56**
Carrying amount			
Balance as at 31 March 2018	**254.79**	**140.14**	**394.93**
Balance as at 31 March 2019	**304.32**	**149.86**	**454.18**

Notes forming part of the financial statements
for the year ended 31 March 2019

6. Investments

(₹ in crores)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of shares	₹ in crores	No of shares	₹ in crores
A. Non-current investments				
a. Investment at cost				
i. In subsidiaries (fully paid equity shares – unquoted)				
Tata Communications International Pte. Ltd.* (refer I below)	191,102,862	2,521.15	191,102,862	2,521.15
Tata Communications Payment Solutions Limited (refer II and III below) (net of impairment)	987,091,784	853.03	987,091,784	1,513.05
Tata Communications Lanka Limited	13,661,422	7.41	13,661,422	7.41
Tata Communications Transformation Services Limited	500,000	0.50	500,000	0.50
Tata Communications Collaboration Services Private Limited	20,000	0.02	20,000	0.02
Subtotal (a) (i)		**3,382.11**		**4,042.13**
ii. In associates (unquoted)				
STT Global Data Centres India Private Limited (equity shares) (refer IV below)	2,730	35.01	2,600	@
United Telecom Limited (equity shares) (net of impairment)	5,731,900	-	5,731,900	-
Smart ICT Services Private Limited				
Preference shares (refer V below)	303,186	0.30	271,226	0.27
Equity shares	12,000	0.01	12,000	0.01
Subtotal (a) (ii)		**35.32**		**0.28**
Subtotal (a) (i)+(ii)		**3,417.43**		**4,042.41**
b. Investments at FVTOCI				
Investment in others (fully paid equity shares - unquoted)				
Tata Teleservices Ltd.* (refer VI below and note 27)	598,213,926	-	598,213,926	-
Other investments	297,134	6.16	297,134	6.16
Subtotal (b)		**6.16**		**6.16**
Total (a)+(b)		**3,423.59**		**4,048.57**
Aggregate market value of quoted investments		-		-
Aggregate carrying value of unquoted investments (net of impairment)		3,423.59		4,048.57
Total non-current investments		**3,423.59**		**4,048.57**
B. Current investments				
Investments at FVTPL (Mutual funds)		449.44		162.01

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

I. The Company has an investment of ₹ 2,521.15 crores (31 March 2018: ₹ 2,521.15 crores) in equity shares of Tata Communications International Pte Limited.

Notes forming part of the financial statements

for the year ended 31 March 2019

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.

II. The Company has investment in its wholly owned subsidiary Tata Communications Payment Solutions Limited ('TCPSL'). Management performed impairment assessment as at 31 March 2019. The recoverable value was determined by Value in use ('VIU') of TCPSL Business. The recoverable amount was lower than the carrying value of investment in TCPSL and hence the Company recorded a diminution in the fair value of the investment of ₹ 660.02 crores. This has been disclosed as an exceptional item.

The approach and key assumptions used to determine the VIU were as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Growth rate applied beyond forecast period	3%	6%
Pre-tax discount rate	13.47%	9.50%

The Company has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a 5 year cash flow forecast. The growth rates used in the value in use calculation reflect those inherent to the Company's business. The future cash flows consider potential risks given the current economic environment and key assumptions, such as volume forecasts and margins.

III. During the previous year, on 18 July 2017, 355,000,000 12% convertible preference shares of TCPSL were converted into 232,634,369 equity shares.

IV. During the current year, the Company has made additional investment of ₹ 35.01 crores in equity shares of STT Global Data Centers India Private Limited.

V. During the current year, the Company has acquired an additional 31,960 Cumulative Non- Convertible Redeemable Preference Shares of Smart ICT Services Private Limited.

VI. The Company has an investment in equity shares of Tata Teleservices Limited ('TTSL') which is recognized at FVTOCI. Based on certain developments in TTSL, during the previous year, the Company had recognized a loss of ₹ 515.53 crores (cumulative ₹ 933.75 crores) in other comprehensive income.

@ represents transaction of amount less than ₹ 50,000

7. Other financial assets

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non – current		
a. Security deposits		
i. Unsecured, considered good	64.13	63.12
ii. Unsecured, considered doubtful	4.05	1.93
Less: allowance for doubtful security deposits	(4.05)	(1.93)
	64.13	63.12
b. Advance for litigation (refer note 27)		
Unsecured, considered doubtful	-	1,058.00
Less: provision for contractual obligation	-	(1,058.00)
	-	-
c. Guarantee fees receivable from subsidiaries - Unsecured, considered good (refer i below)	32.79	36.01
d. Pension contribution recoverable from Government of India (net) - Unsecured, considered good (refer ii below)	7.44	7.44
e. Other advances / receivables		

Notes forming part of the financial statements

for the year ended 31 March 2019

7. Other financial assets (Contd..)

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
i. Unsecured, considered good	0.36	0.36
ii. Unsecured, considered doubtful	0.01	0.01
Less: allowance for doubtful advances/ receivables	(0.01)	(0.01)
	0.36	**0.36**
Sub-total (A)	**104.72**	**106.93**
B. Current		
a. Security deposits		
Unsecured, considered good	24.25	14.45
Unsecured, considered doubtful	1.14	0.99
Less: allowance for doubtful security deposits	(1.14)	(0.99)
	24.25	**14.45**
b. Guarantee fees receivable from subsidiaries - Unsecured, considered good (refer i below)	23.61	21.89
c. Other advances/ receivables		
Unsecured, considered good	2.98	4.95
Unsecured, considered doubtful	0.20	0.30
Less: allowance for doubtful advances/ receivables	(0.20)	(0.30)
	2.98	**4.95**
d. Amount due from related parties - Unsecured, considered good	57.08	81.04
e. Advance to employees - Unsecured, considered good	0.03	0.03
f. Interest receivable - Unsecured, considered good	0.18	0.76
g. Fair value of foreign exchange forward contracts	-	2.26
Sub-total (B)	**108.13**	**125.38**
Total (A) + (B)	**212.85**	**232.31**

i. The Company has issued corporate guarantees for the loans and credit facility arrangements in respect of various subsidiaries.

ii. As at 31 March 2019, the proportionate share of pension obligations and payments of ₹ 61.15 crores (31 March 2018: ₹ 61.15 crores) to the erstwhile OCS employees was recoverable from the Government of India (the "Government"). Pursuant to discussion with the Government, the Company had made a provision of ₹ 53.71 crores (31 March 2018: ₹ 53.71 crores) resulting in a net amount due from the Government towards its share of pension obligations of ₹ 7.44 crores (31 March 2018: ₹ 7.44 crores).

8. Deferred tax assets (net)

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

(₹ in crores)

Particulars	As at 1 April 2018	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2019
Deferred tax assets arising out of timing differences on:				
Provision for doubtful trade receivables	87.38	19.19	-	106.57
Provision for employee benefits	36.38	(9.36)	(0.07)	26.95
Expenditure incurred on NLD licence fees	5.52	(1.84)	-	3.68

Notes forming part of the financial statements

for the year ended 31 March 2019

8. Deferred tax assets (net) (Contd..)

(₹ in crores)

Particulars	As at 1 April 2018	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2019
Expenditure disallowed u/s. 40 (a) (ia) of the Income Tax Act, 1961	77.18	(0.30)	-	76.88
Unearned income and deferred revenues	2.10	(1.40)	-	0.70
Interest received on provisional income-tax assessment	6.81	-	-	6.81
Provision towards demand received from Employee State Insurance Corporation	8.94	6.04	-	14.98
Others	7.25	2.96	-	10.21
Sub-total deferred tax assets (A)	**231.56**	**15.29**	**(0.07)**	**246.78**
Deferred tax liability arising out of timing differences on:				
Difference between accounting and tax depreciation / amortisation	43.93	(32.78)	-	11.15
Foreign exchange loss on buyers' credit	9.21	(9.21)	-	-
Sub-total deferred tax liabilities (B)	**53.14**	**(41.99)**	**-**	**11.15**
Total (A - B)	**178.42**	**(57.28)**	**(0.07)**	**235.63**

(₹ in crores)

Particulars	As at 1 April 2017	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2018
Deferred tax assets arising out of timing differences on:				
Provision for doubtful trade receivables	73.26	14.12	-	87.38
Provision for employee benefits	45.70	(12.17)	2.85	36.38
Expenditure incurred on NLD licence fees	7.29	(1.77)	-	5.52
Expenditure disallowed u/s. 40 (a) (ia) of the Income Tax Act, 1961	67.74	9.44	-	77.18
Unearned income and deferred revenues	3.47	(1.37)	-	2.10
Interest received on provisional income-tax assessment	10.41	(3.60)	-	6.81
Provision towards demand received from Employee State Insurance Corporation	8.99	(0.05)	-	8.94
Others	0.72	6.53	-	7.25
Sub-total deferred tax assets (A)	**217.58**	**11.13**	**2.85**	**231.56**
Deferred tax liability arising out of timing differences on:				
Difference between accounting and tax depreciation / amortisation	98.79	(54.86)	-	43.93
Long term capital gain on fair value of Investments	16.95	(16.29)	(0.66)	-
Foreign exchange loss on buyers' credit	9.34	(0.13)	-	9.21
Sub-total deferred tax liabilities (B)	**125.08**	**(71.28)**	**(0.66)**	**53.14**
Total (A - B)	**92.50**	**82.41**	**3.51**	**178.42**

Notes forming part of the financial statements

for the year ended 31 March 2019

9. Other assets

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non-current		
a. Capital advances		
i. Unsecured, considered good	19.10	1.78
ii. Unsecured, considered doubtful	6.05	6.01
Less: allowance for doubtful advances	(6.05)	(6.01)
	19.10	**1.78**
b. Prepaid expenses – Unsecured, considered good	186.21	173.30
c. Amount paid under protest		
i. Unsecured, considered good	0.01	25.61
ii. Unsecured, considered doubtful (refer note 18 (b))	33.60	-
Less: allowance for doubtful advances (refer note 18 (b))	(33.60)	-
	0.01	**25.61**
d. NLD license fees recoverable from Government of India		
i. Unsecured, considered good	-	0.64
ii. Unsecured, considered doubtful	0.64	-
Less: allowance for doubtful balance	(0.64)	-
	-	**0.64**
e. Pension asset recoverable – Unsecured, considered good	45.54	45.05
f. Other advances / receivables		
i. Unsecured, considered good	-	0.27
ii. Unsecured, considered doubtful	0.19	0.03
Less: allowance for doubtful advances/ receivables	(0.19)	(0.03)
	-	**0.27**
Sub-total (A)	**250.86**	**246.65**
B. Current		
a. Advance to employees		
Unsecured, considered good	2.53	4.45
Unsecured, considered doubtful	0.36	0.62
Less: allowance for doubtful advances	(0.36)	(0.62)
	2.53	**4.45**
b. Prepaid expenses - Unsecured, considered good		
From related parties	15.93	4.82
Others	104.98	84.23
	120.91	**89.05**
c. Indirect taxes recoverable (net)	114.47	8.55
d. Advance to contractors and vendors		
Related parties – Unsecured, considered good	1.48	-
Others – Unsecured, considered good	6.87	4.18
Unsecured, considered doubtful	-	0.03
Less: allowance for doubtful advances	-	(0.03)
	8.35	**4.18**
e. Other advances/ receivables		
Related parties – Unsecured, considered good	28.25	0.01
Others – Unsecured, considered good	27.12	9.58
Unsecured, considered doubtful	0.71	-
Less: allowance for doubtful advances/ receivables	(0.71)	-
	55.37	**9.59**
Sub-total (B)	**301.63**	**115.82**
Total (A) + (B)	**552.49**	**362.47**

Notes forming part of the financial statements

for the year ended 31 March 2019

10. Trade receivables

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured (including unbilled receivables)		
Considered good	1,296.68	1,221.59
Considered doubtful	285.75	240.16
	1,582.43	1,461.75
Less: Allowance for doubtful receivables (refer note 40 (e))	(285.75)	(240.16)
	1,296.68	**1,221.59**

11. Cash and cash equivalents

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
a. Cash on hand	0.02	0.02
b. Cheques on hand	0.26	440.28
c. Current accounts with scheduled banks	80.96	98.76
d. Deposit accounts with scheduled banks with original maturity of less than three months	65.00	72.76
	146.24	**611.82**

12. Other bank balances

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
a. Unpaid dividend accounts	0.70	0.57
b. Restricted bank balance (refer i below)	2.79	2.64
	3.49	**3.21**

i. Includes ₹ 2.75 crores (31 March 2018: ₹ 2.63 crores) held towards sales consideration of Chennai land as per direction of Panatone Finvest Limited and ₹ 0.04 crores (31 March 2018: ₹ 0.01 crore) held towards other legal matters.

13. Assets classified as held for sale

i. The Management intends to dispose off few staff quarters of the Company having net block of ₹ 2.11 crores (31 March 2018: ₹ 2.77 crores). The Company was only able to partially dispose off its assets classified as held for sale as on 31 March 2018 on account of certain circumstances beyond its control that lead to extension of the period required to complete the sale. Accordingly, these assets had been classified as assets held for sale as on 31 March 2019.

ii. Further the fair value of these assets is higher than their carrying value as on 31 March 2019 and hence, no impairment loss has been recognised.

Notes forming part of the financial statements

for the year ended 31 March 2019

14. Equity share capital

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
a. Authorised		
400,000,000 (31 March 2018: 400,000,000) Equity shares of ₹ 10 each	400.00	400.00
b. Issued, subscribed and paid up		
285,000,000 (31 March 2018: 285,000,000) Equity shares of ₹ 10 each, fully paid up	285.00	285.00

a. Issued, subscribed and paid up

There is no change in the issued, subscribed and paid up share capital of the Company during the current 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 INR. 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.

c. The Board of Directors have recommended a dividend of ₹ 4.50 (2017 – 2018: ₹ 4.50) per share.

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of shares	Percentage	No of shares	Percentage
Panatone Finvest Limited	99,172,854	34.80%	85,776,654	30.10%
Government of India	74,446,885	26.12%	74,446,885	26.12%
Tata Sons Private Limited	40,087,639	14.07%	40,087,639	14.07%

15. Other equity

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Capital reserve (refer i below)	206.06	206.06
Debenture redemption reserve (refer ii below)	37.50	38.75
Securities premium	725.01	725.01
General reserve	5,343.25	5,342.00
Retained earnings	2,576.62	3,172.34
Other comprehensive income (refer iii below)	(974.56)	(965.70)
Total	**7,913.88**	**8,518.46**

i. **Capital reserve** includes ₹ 205.22 crores in respect of foreign exchange gains on unutilised proceeds from Global Depository Receipts in earlier years.

ii. **Debenture redemption reserve (DRR):** The Company has issued redeemable non-convertible debentures, accordingly, the Companies (Share capital and Debenture) Rules, 2014 (as amended), require that where a

Notes forming part of the financial statements

for the year ended 31 March 2019

15. Other equity (Contd..)

company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the DRR may not be utilised by the Company except to redeem debentures.

iii. **Other comprehensive income:** This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off and remeasurement of defined employee benefit plans (net of taxes).

16. Borrowings

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non-current		
a. Secured debentures		
Taxable rated non-convertible redeemable debentures (refer i below)		
50, 11.25% rated debentures of face value ₹ 10 lakhs each	-	5.00
b. Unsecured debentures		
Taxable rated non-convertible redeemable debentures (refer ii below)		
1,500, 9.85% rated debentures of face value ₹ 10 lakhs each	150.00	150.00
	150.00	**155.00**
Less: Current maturities of long term borrowings (refer note 17)	(150.00)	(5.00)
Sub-total (A)	**-**	**150.00**
B. Current		
Unsecured loan from bank		
Buyers' credit	301.14	368.90
(rate of interest per annum – 31 March 2019: 2.27% to 3.60%) (31 March 2018: 1.20% to 2.94%)		
Sub-total (B)	**301.14**	**368.90**
Total (A) + (B)	**301.14**	**518.90**

i. **Secured debentures**

As at 31 March 2018, the outstanding 50, 11.25% debentures amounting to ₹ 5.00 crores were secured by a first legal mortgage and charge on the Company's plant and machinery.

For facilitating the above redemption, the Company had created a DRR of ₹ 1.25 crores.

During the current year, 50, 11.25% debentures amounting to ₹ 5.00 crores were redeemed on 23 January 2019 and consequently DRR of ₹ 1.25 crores created to facilitate redemption of above debentures was transferred to general reserve.

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 redemption, the Company has created a DRR of ₹ 37.50 crores.

Notes forming part of the financial statements
for the year ended 31 March 2019

17. Other financial liabilities

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non-current		
a. Obligation for financial guarantee (refer i below)	32.79	36.01
Sub-total (A)	**32.79**	**36.01**
B. Current		
a. Current maturities of long term borrowings (refer note 16)	150.00	5.00
b. Interest accrued but not due on loans from banks	12.36	12.04
c. Deposits from customers and contractors		
- Deposits from related parties	23.32	5.12
- Others	35.19	36.16
d. Government of India account	20.57	20.57
e. Unpaid dividend (refer ii below)	0.70	0.57
f. Capital creditors		
- Payables to related parties	14.50	15.58
- Others	372.87	306.68
g. Fair value of foreign exchange forward contract	33.89	-
h. Obligation for financial guarantee (refer i below)	23.61	21.89
i. Other liabilities	59.46	65.78
Sub-total (B)	**746.47**	**489.39**
Total (A) + (B)	**779.26**	**525.40**

i. The Company has issued corporate guarantees for the loans and credit facility arrangements in respect of various subsidiaries.

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

18. Provisions

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non-current		
a. Provision for employee benefits (refer note 34)		
- Compensated absences	42.90	40.70
- Post-employment medical benefits	122.26	114.81
- Pension	27.06	31.59
- Gratuity	8.00	20.13
b. Provision for decommissioning cost	5.88	3.78
Sub-total (A)	**206.10**	**211.01**
B. Current		
a. Provision for employee benefits (refer note 34)		
- Compensated absences	6.79	5.99
b. Provision for others	40.14	25.57
Sub-total (B)	**46.93**	**31.56**
Total (A) + (B)	**253.03**	**242.57**

Notes forming part of the financial statements

for the year ended 31 March 2019

18. Provisions (Contd..)

Movement of provisions

(₹ in crores)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Provision for decommissioning cost (refer a below)	Provision for others (refer b below)	Provision for decommissioning cost (refer a below)	Provision for others (refer b below)
Opening balance	3.78	25.57	0.52	25.57
Addition	2.07	40.14	3.26	-
Utilisation/ adjustments	0.03	25.57	-	-
Closing balance	**5.88**	**40.14**	**3.78**	**25.57**
Non-current provision	**5.88**	**-**	**3.78**	**-**
Current provision	**-**	**40.14**	**-**	**25.57**

a. The provision for decommissioning cost has been recorded in the books of the Company in respect of certain fixed assets.

b. Provision for others is mainly towards demand/ notice received from Employee State Insurance Corporation and Directorate of Revenue Intelligence net of amount paid under protest (₹ 33.60 crores) as disclosed in note 9.

19. Other liabilities

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non-current		
a. Deferred revenue (refer i below)		
- Related parties	42.27	0.07
- Others	392.64	434.36
b. Accrued employee cost	17.27	18.67
Sub-total (A)	**452.18**	**453.10**
B. Current		
a. Deferred revenues and advances received from customers (refer i below)		
- Related parties	100.93	10.87
- Others	247.68	231.15
b. Accrued employee cost	164.17	162.70
c. Statutory liabilities		
TDS payable	11.35	23.26
d. Other liabilities	102.03	78.58
Sub-total (B)	**626.16**	**506.56**
Total (A) + (B)	**1,078.34**	**959.66**

i. Deferred revenue represents contract liabilities.

Notes forming part of the financial statements

for the year ended 31 March 2019

20. Trade payables

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Total outstanding dues of micro enterprises and small enterprises (refer note 46)	4.26	4.95
Sub-total (A)	**4.26**	**4.95**
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable to related parties	949.12	375.91
- Other creditors	848.70	917.61
Sub-total (B)	**1,797.82**	**1,293.52**
Total (A) + (B)	**1,802.08**	**1,298.47**

21. Other income

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Interest income on financial assets carried at amortised cost		
i. Bank deposits	1.49	1.13
ii. Others (refer i below)	2.93	31.96
b. Dividend income	5.91	43.08
c. Gain on investments at FVTPL (net)	23.54	30.07
d. Gain on disposal of property, plant and equipment (net)	2.57	-
e. Foreign exchange gain/ (loss) (net)	(27.20)	(52.46)
f. Liabilities no longer required - written back	15.79	5.07
g. Interest on income tax refund	3.13	195.15
h. Guarantee income from subsidiaries	30.69	28.19
i. Shared service fees from subsidiaries/ associates	27.59	24.50
j. Others	5.79	16.84
	92.23	**323.53**

i. Interest on others includes ₹ 1.93 crores (2017 - 2018: ₹ 1.45 crores) from subsidiaries. During the previous year, interest on others included net interest income of ₹ 29.72 crores on the advances given to Tata Sons. For details, refer note 27.

22. Network and transmission

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Charges for use of transmission facilities (refer note 24 (i))	1,918.73	1,658.82
b. Royalty and licence fee to Department of Telecommunications	221.69	194.24
c. Rent of landlines and satellite channels	43.24	49.36
	2,183.66	**1,902.42**

Charges for use of transmission facilities include cost of certain equipment ancillary to DMS of ₹ 108.05 crores (2017 – 2018: ₹ 82.33 crores).

Notes forming part of the financial statements
for the year ended 31 March 2019

23. Employee benefits

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Salaries and related costs	835.26	757.40
b. Contributions to provident and other funds (refer note 33)	39.08	60.32
c. Staff welfare expenses	46.91	41.15
	921.25	**858.87**

24. Operating and other expenses

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Consumption of stores	0.53	0.17
b. Light and power (net of reimbursements of ₹ 270.69 crores (2017 - 2018: ₹ 266.73 crores)	109.16	103.97
c. Repairs and maintenance		
i. Buildings	29.32	25.71
ii. Plant and machinery (refer i below)	140.98	356.57
iii. Others	0.02	0.33
d. Bad debts written off	-	10.14
e. Allowance for doubtful trade receivables	45.59	30.10
f. Allowance for doubtful advances	11.46	(0.70)
g. Rent	83.65	77.38
h. Rates and taxes	20.59	13.73
i. Travelling	27.70	29.65
j. Telephone	8.03	8.88
k. Printing, postage and stationery	3.62	3.49
l. Legal and professional fees	107.59	80.75
m. Advertising and publicity	47.29	33.74
n. Commission	20.06	28.90
o. Services rendered by agencies	234.11	265.57
p. Insurance	6.16	6.34
q. Corporate social responsibility expenditure (Refer ii below)	13.94	15.19
r. Fixed assets written off (net)	-	7.50
s. Other expenses (refer note 35)	148.45	123.00
	1,058.25	**1,220.41**

i. During the current year, based on the Supreme Court directives, Telecom Regulatory Authority of India ('TRAI') issued notification stating that new regulation on the Cable Landing Station ('CLS') charges would be effective from its publication on official Gazette i.e. 28 November 2018. Accordingly, the Company has recorded revenue from operations of ₹ 89.94 crores and operating and maintenance recovery of ₹ 258.81 crores in operating and other expenses. Further there is a corresponding increase in network and transmission expense of ₹ 318.36 crores on account of transfer pricing adjustment. The Company has challenged the jurisdiction of TRAI on issue of regulation on CLS in the Hon'ble Supreme Court. Access seekers and CLS operators have also filed a petition in TDSAT for declaring retrospective applicability of the newly notified regulations on CLS.

Earlier in the quarter ended 31 December 2016 the Madras High Court had dismissed the petition filed by the Company against implementation of TRAI Regulation (2012) on Access Facilitation Charges ('AFC')/ CLS charges

Notes forming part of the financial statements

for the year ended 31 March 2019

24. Operating and other expenses (Contd..)

which was appealed by the Company in Hon'ble Supreme court. However, considering the uncertainty at that point in time, during the quarter ended 31 December 2016, the Company had recorded a provision towards reversal of revenue for ₹ 46.26 crores and other expense include a reversal towards operating and maintenance recovery of ₹ 98.78 crores which also had corresponding decrease in network and transmission expense due to transfer pricing adjustment by ₹ 134.65 crores

ii. Disclosure in respect of Corporate Social Responsibility (CSR) expenditure:

As required by the Companies Act, 2013 and rules thereon, gross amount required to be spent by the Company during the year towards CSR amount to ₹ 13.94 crores (2017 - 2018: ₹ 15.17 crores). The Company has spent ₹ 13.94 crores (2017 - 2018: ₹ 15.19 crores) during the year on CSR activities mainly for promotion of education, social business projects, etc. including ₹ 0.43 crores (2017 - 2018: ₹ 6.30 crores) on construction/ acquisition of assets.

25. Depreciation and amortisation

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment (refer note 3)	749.33	695.69
Depreciation on investment property (refer note 4)	4.85	4.61
Amortisation on intangible assets (refer note 5)	136.70	129.95
	890.88	**830.25**

During the current year, the Company has provided additional depreciation of ₹ 36.81 crores (2017 – 2018: ₹ 36.36 crores) on certain assets that are not in use.

26. Finance Cost

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Interest on loans from banks	7.99	8.63
b. Interest on debentures	15.23	15.34
c. Other interest (refer i below)	12.90	16.34
	36.12	**40.31**

i. Includes mainly interest cost on actuarial valuation (refer note 33).

27. Provision for contractual obligation

By its judgment and order dated 28 April 2017, the Delhi High Court declared the award dated 22 June 2016, made by the Arbitral Tribunal, London, to be enforceable in India and to operate as a deemed decree of that Court. In accordance inter-alia with Inter Se Agreement dated 25 March 2009 and the Promoter Deed of Adherence dated 25 March 2009, the Company's share of amount payable to DoCoMo was ₹ 1,058 crores. The Company had advanced the sum of ₹ 1,058 crores to Tata Sons Ltd in financial year 2016-17 which was shown as 'Advance for litigation' in the financial statements. During the said financial year, the Company provided for ₹ 872.01 crores towards its contractual obligations whist the balance amount of ₹ 185.99 crores continued as 'Advance for litigation'. During the previous year, the net amount of ₹ 185.99 crores (including foreign exchange gain of ₹ 0.40 crores)) had been provided and disclosed as exceptional item in the statement of profit and loss. The Company has written off the entire amount of 'Advance for litigation' of ₹ 1,058 crores.

Notes forming part of the financial statements

for the year ended 31 March 2019

27. Provision for contractual obligation (Contd..)

In accordance with the said judgment and order of the Delhi High Court and the award of the Arbitral Tribunal, upon payment of its aforesaid share of ₹ 1,058 crores, the Company had received 158,350,304 shares of Tata Teleservices Ltd during the previous year, which have been recorded at ₹ Nil.

In addition, during the previous year, Tata Sons Ltd had settled the aforementioned advances and the Company had also received net interest income from Tata Sons Ltd of ₹ 29.72 crores.

28. Provision for contingencies

During the previous year, the Company provided ₹ 15.44 crores as provision for contingencies, for certain legal matters that had attained finality based on the court judgment.

29. Staff cost optimisation

As part of its initiative to enhance the long term efficiency of the business during the year, the Company undertook organisational changes to align to the Company's current and prospective business requirements. These changes involved certain positions in the Company becoming redundant and the Company incurred a one-time charge of ₹ 6.95 crores (2017 - 2018: ₹ 7.08 crores).

30. Accidental damages

During the previous year, the Company made a provision for loss caused due to malfunctioning of the fire suppression system at one of its offices amounting to ₹ 26.12 crores. The Company had filed an insurance claim for the same and settlement of the insurance claim is under process.

31. Provision for diminution

The Company has investment in its wholly owned subsidiary TCPSL. During the current year, there has been a diminution in the fair value of the investment resulting into a loss of ₹ 660.02 crores (refer note 6 (II)).

Summary of exceptional items:

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Provision for contractual obligation (Refer note 27)	-	(185.59)
Provision for contingencies (Refer note 28)	-	(15.44)
Staff cost optimization (Refer note 29)	(6.95)	(7.08)
Accidental damages (Refer note 30)	-	(26.12)
Provision for diminution (Refer note 31)	(660.02)	-
	(666.97)	**(234.23)**

Notes forming part of the financial statements

for the year ended 31 March 2019

32. Income tax

i. Income tax recognised in Statement of Profit and Loss

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax		
In respect of current year	215.05	312.82
In respect of prior years	8.78	(7.97)
Sub-total current tax (a)	**223.83**	**304.85**
Deferred tax		
In respect of the current year	(70.03)	(83.37)
In respect of prior years	12.75	0.96
Sub-total deferred tax (b)	**(57.28)**	**(82.41)**
Total (a+b)	**166.55**	**222.44**

ii. Income tax expense for the year can be reconciled to the accounting profit as follows

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(Loss)/ Profit before tax	**(275.77)**	**489.07**
Income tax expense calculated at 34.944% tax rate (2017 - 2018: 34.608% tax rate)	(96.36)	169.26
Effect of provision for contractual obligation	-	64.23
Provision for impairment of investments	230.64	-
Effect of adjustments / expenses that are not deductible in determining taxable profit	15.85	16.31
Effect of prior period adjustments	21.53	(7.01)
Effect of net income subjected to lower tax rate	(1.38)	(23.85)
Others	(3.73)	3.50
Total	**262.91**	**53.18**
Income tax expense recognised in Statement of Profit and Loss	**166.55**	**222.44**

iii. Income tax recognised in other comprehensive income

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax (a)	4.83	(2.69)
Deferred tax (b)	(0.07)	3.51
Total (a+b)	**4.76**	**0.82**
Bifurcation of income tax recognised in other comprehensive income into		
Items that will be reclassified to Statement of Profit and Loss	-	-
Items that will not be reclassified to Statement of Profit and Loss	4.76	0.82

Notes forming part of the financial statements
for the year ended 31 March 2019

33. As at 31 March 2018, current tax liability (net) includes ₹ 260.96 crores for which there is a corresponding advance tax.

34. Employee benefits (Defined benefit plan)

Provident fund

The Company makes contributions towards a provident fund under a defined benefit retirement plan for qualifying employees. The provident fund (the 'Fund') is administered by the Trustees of the Tata Communications Employees' Provident Fund Trust (the '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 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 ₹ 31.34 crores (2017 - 2018: ₹ 28.73 crores) have been charged to the Statement of Profit and Loss, under contributions to provident and other funds in note 23 "Employee benefits".

There are numerous interpretative issues relating to the Hon'ble Supreme Court 'SC' judgement on Provident Fund dated 28 February 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC judgement.

Gratuity

The Company makes annual contributions under the Employees Gratuity Scheme to a fund administered by Trustees of the Tata Communications Employees' Gratuity Fund Trust 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 OCS. The Company purchases life annuity policies from an insurance company to settle such pension obligations.

These plans typically expose the Company to actuarial risk such as investment risk, interest rate risk, salary risk and demographic risk:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the plan has a relatively balanced mix of investments in government securities, high quality corporate bonds, equity and other debt instruments.
Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation

Notes forming part of the financial statements

for the year ended 31 March 2019

34. Employee benefits (Defined benefit plan) (Contd..)

Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The most recent actuarial valuation of the plan assets and defined benefit obligation has been carried out as at 31 March 2019 by an independent actuary.

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 2019 and 31 March 2018 for these defined benefit schemes are as under:

(₹ in crores)

Particulars	Gratuity (funded)		Medical benefits (unfunded)		Pension (unfunded)	
	As at		As at		As at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
I Principal actuarial assumptions:						
Discount rate	7.30%	7.50%	7.30%	7.50%	7.30%	7.50%
Increase in compensation cost	6% to 7%	6% to 7%	6% to 7%	6% to 7%	-	-
Health care cost increase rate	-	-	7.00%	7.00%	-	-
Attrition rate	3% to 15%	3% to 15%	3% to 15%	3% to 15%		
Post retirement mortality			Annuitants mort 96-98		Annuitants mort 96-98	
Increase in dearness allowance	-	-	-	-	5.00%	5.00%

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 into account inflation, seniority, promotion and other relevant factors.

(₹ in crores)

Particulars	Gratuity (funded)		Medical benefits (unfunded)		Pension (unfunded)	
	Year ended March		Year ended March		Year ended March	
	2019	2018	2019	2018	2019	2018
II Components of defined benefit costs recognised in the Statement of Profit and Loss (refer notes 23 and 26)						
Current service cost	7.74	6.12	0.70	0.70	-	-
Past service cost	-	25.47	-	-	-	-
Interest cost (net)	0.68	0.18	8.09	7.73	2.13	1.91
Total	**8.42**	**31.77**	**8.79**	**8.43**	**2.13**	**1.91**

Notes forming part of the financial statements

for the year ended 31 March 2019

34. Employee benefits (Defined benefit plan) (Contd..)

(₹ in crores)

Particulars	Gratuity (funded)		Medical benefits (unfunded)		Pension (unfunded)	
	Year ended March		Year ended March		Year ended March	
	2019	2018	2019	2018	2019	2018
III Components of defined benefit costs recognised in the Other Comprehensive Income						
Actuarial (gain)/ loss due to defined benefit obligation experience adjustments	1.57	0.31	9.87	9.19	(0.84)	9.29
Actuarial (gain)/ loss due to defined benefit obligation assumptions changes	1.38	(9.40)	2.53	(3.73)	0.65	(1.06)
Actuarial (gain)/ loss arising during the year	**2.95**	**(9.09)**	**12.40**	**5.46**	**(0.19)**	**8.23**
Return on plan assets	(1.54)	(2.64)	-	-	-	-
Total	**1.41**	**(11.73)**	**12.40**	**5.46**	**(0.19)**	**8.23**

IV Amount recognised in the balance sheet	As at 31, March		As at 31, March		As at 31, March	
	2019	2018	2019	2018	2019	2018
Obligation at the end of the year	106.20	98.20	122.26	114.81	27.06	31.59
Fair value of plan assets at the end of the year	(98.20)	(78.07)	-	-	-	-
Net liability arising from defined benefit obligation	**8.00**	**20.13**	**122.26**	**114.81**	**27.06**	**31.59**

(₹ in crores)

Particulars	Gratuity (funded)		Medical benefits (unfunded)		Pension (unfunded)	
	Year ended March		Year ended March		Year ended March	
	2019	2018	2019	2018	2019	2018
V Change in the defined benefit obligation						
Opening defined benefit obligation	98.20	74.65	114.81	113.72	31.59	31.59
Current service cost	7.74	6.12	0.70	0.70	-	-
Past service cost	-	25.47	-	-	-	-
Interest cost	7.00	5.16	8.09	7.73	2.13	1.91
Obligation transferred to other companies on transfer of employees	1.72	1.73	-	-	-	-
Actuarial (gain) / loss on experience adjustments	1.57	0.31	9.87	9.19	(0.84)	9.29
Actuarial (gain) / loss on change in financial assumption	1.38	(9.40)	2.53	(3.73)	0.65	(1.06)
Benefits paid	(11.41)	(5.84)	(13.74)	(12.80)	(6.47)	(10.14)
Closing defined benefit obligation	**106.20**	**98.20**	**122.26**	**114.81**	**27.06**	**31.59**

Notes forming part of the financial statements

for the year ended 31 March 2019

34. Employee benefits (Defined benefit plan) (Contd..)

(₹ in crores)

Particulars	Gratuity (funded) Year ended March 2019	Gratuity (funded) Year ended March 2018
VI Change in fair value of plan assets		
Opening fair value of plan assets	78.07	68.20
Expected return on plan assets	6.32	4.98
Employer's contribution	21.96	6.36
Transfer to other companies	1.72	1.73
Actuarial (loss)/ gain	1.54	2.64
Benefits paid	(11.41)	(5.84)
Closing fair value of plan assets	**98.20**	**78.07**

(₹ in crores)

Particulars	Gratuity (funded) As at 31 March 2019	Gratuity (funded) As at 31 March 2018
VII Categories of plan assets as a percentage of total plan assets		
Cash and bank	5.68%	7.80%
Government securities	35.16%	33.12%
Corporate bonds	41.90%	46.07%
Equity	11.99%	11.44%
Others	5.27%	1.57%
Total	**100%**	**100%**

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets. This policy has been implemented during the current and prior years.

VIII A quantitative sensitivity analysis for significant assumption as at 31 March 2019 and 31 March 2018 is as shown below: (As per actuarial valuation report). The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

(₹ in crores)

Particulars	Gratuity (funded) As at		Medical benefits (unfunded) As at		Pension (unfunded) As at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate						
Increase (1%)	(6.57)	(5.94)	(11.75)	(11.03)	(3.07)	(3.25)
Decrease (1%)	7.43	6.72	14.22	13.35	3.54	3.74
Future salary increases						
Increase (1%)	5.01	4.50	-	-	-	-
Decrease (1%)	(4.87)	(4.37)	-	-	-	-
Withdrawal rate						
Increase (5%)	2.72	2.98	(4.76)	(4.69)	-	-
Decrease (5%)	(3.74)	(4.14)	4.04	4.03	-	-

Notes forming part of the financial statements

for the year ended 31 March 2019

34. Employee benefits (Defined benefit plan) (Contd..)

(₹ in crores)

Particulars	Gratuity (funded)		Medical benefits (unfunded)		Pension (unfunded)	
	As at		As at		As at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Health care cost increase rate						
Increase (1%)	-	-	10.12	9.60	-	-
Decrease (1%)	-	-	(8.44)	(7.99)	-	-
Post retirement mortality						
Increase (3 years)	-	-	(11.77)	(10.82)	(5.74)	(5.78)
Decrease (3 years)	-	-	12.05	11.04	6.42	6.44
Increase in dearness allowance						
Increase (1%)	-	-	-	-	8.64	9.01
Decrease (1%)	-	-	-	-	(7.84)	(8.17)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(₹ in crores)

Particulars	Gratuity (funded)	Medical benefits (unfunded)	Pension (unfunded)
	As at 31 March 2019	As at 31 March 2019	As at 31 March 2019
IX Maturity profile of defined benefit plan			
31 March 2020	12.76	8.74	14.70
31 March 2021	11.60	8.90	15.44
31 March 2022	13.38	9.09	16.21
31 March 2023	13.92	9.26	17.02
31 March 2024	13.27	9.38	17.87
31 March 2025 to 31 March 2029	71.84	48.84	103.67
Total expected payments	**136.77**	**94.21**	**184.91**

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 60 days.

Notes forming part of the financial statements

for the year ended 31 March 2019

34. Employee benefits (Defined benefit plan) (Contd..)

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 ₹ 49.69 crores (31 March 2018: ₹ 46.69 crores) as shown under non-current provisions ₹ 42.90 crores (31 March 2018: ₹ 40.70 crores) and current provisions ₹ 6.79 crores (31 March 2018: ₹ 5.99 crores). The amount charged to the Statement of Profit and Loss under Salaries and related costs in note 23 "Employee benefits" is ₹ 7.96 crores (2017 - 2018: ₹ (5.80) crores).

35. Auditors' remuneration:

(Included in other expenses under operating and other expenses – Refer note 24)

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Payment to statutory auditor		
i. For audit fees	3.62	3.62
ii. For taxation matters	0.07	0.07
iii. For other services	2.19	2.37
iv. For reimbursement of expenses	0.34	0.38
b. Payment to cost auditor		
i. For cost audit services	0.06	0.07

Above amount excludes Goods service tax/ Service tax

36. Earnings per share

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net (loss) / profit after tax attributable to the equity shareholders (in ₹ crores) (A)	(442.32)	266.63
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 (equity share of ₹ 10 each) (A/B)	(15.52)	9.36

37. Segment reporting

The Board of Directors and the Managing Director of the Company together constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the segments of the Company. The Company's reportable segments are Voice Solutions ("VS"), Data and Managed Services ("DMS") and Real Estate ("RE"). 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, virtual private network signalling and roaming services, television and other network and managed services.

Notes forming part of the financial statements

for the year ended 31 March 2019

37. Segment reporting (Contd..)

Real Estate (RE)

Real Estate includes lease rentals for premises given on lease and does not include premises held for capital appreciation.

(₹ in crores)

Particulars	For the year ended 31 March 2019				For the year ended 31 March 2018			
	VS	DMS	RE	Total	VS	DMS	RE	Total
a. Segment revenues and results								
Revenue from operations	289.97	4,958.06	141.10	**5,389.13**	569.80	4,551.10	131.13	**5,252.03**
Segment results	(361.21)	621.55	74.75	**335.09**	(509.11)	879.55	69.64	**440.08**
Finance cost				**36.12**				**40.31**
Unallocable expense/ (income) (net)				**574.74**				**(89.30)**
(Loss) / Profit before tax				**(275.77)**				**489.07**
Tax expense (net)				**166.55**				**222.44**
(Loss) / Profit for the year				**(442.32)**				**266.63**

(₹ in crores)

Particulars	As at 31 March 2019				As at 31 March 2018			
	VS	DMS	RE	Total	VS	DMS	RE	Total
b. Segment assets and liabilities								
Segment assets	133.75	5,899.93	444.58	**6,478.26**	203.29	5,422.80	359.91	**5,986.00**
Unallocable assets				**6,135.70**				**6,916.75**
Total assets				**12,613.96**				**12,902.75**
Segment liabilities	134.44	3,156.55	127.81	**3,418.80**	168.89	2,514.84	24.65	**2,708.38**
Unallocated liabilities				**996.28**				**1,390.91**
Total liabilities				**4,415.08**				**4,099.29**

(₹ in crores)

Particulars	For the year ended 31 March 2019				For the year ended 31 March 2018			
	VS	DMS	RE	Total	VS	DMS	RE	Total
c. Other segment information:								
Capital expenditure (allocable)	19.80	1,303.51	8.97	**1,332.28**	17.25	965.19	2.42	**984.86**
Depreciation and amortisation (allocable)	13.18	872.18	5.52	**890.88**	19.07	806.20	4.98	**830.25**
Non-cash expenses other than depreciation and amortisation	2.44	44.89	(0.13)	**47.20**	0.88	47.44	0.13	**48.45**

Revenues and network and transmission costs are directly attributable to the segments. Network and transmission costs are allocated based on utilisation of network capacity. Licence fees for VS and DMS have been allocated based on adjusted gross revenues from these services. Depreciation and certain other costs have been allocated to the segments based on various allocation parameters. Segment result is segment revenues less segment expenses. Other income and exceptional items have been considered as “Unallocable”.

Notes forming part of the financial statements

for the year ended 31 March 2019

37. Segment reporting (Contd..)

d. Geographical information

The revenues from operation have been allocated to countries based on location of the customers as shown below:

(₹ in crores)

Segment revenues by geographical market	For the year ended 31 March 2019	For the year ended 31 March 2018
India	4,902.35	4,615.89
United States of America	150.80	160.66
Netherlands *	44.08	56.05
United Kingdom	28.14	20.84
Others	263.76	398.59
	5,389.13	**5,252.03**

* Includes amount recorded as revenue from Tata Communications (Netherlands) BV of ₹ 34.28 crores (2017 - 2018: ₹ 47.55 crores). Tata Communications (Netherlands) BV is a central contracting party and a transfer pricing administrator for inter-company transactions between the Company and its international subsidiaries.

All of the segment assets are located in India or in International territorial waters and therefore no further information by location of assets has been provided here.

The Company applies Residual Profit Split Method 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.

e. Information about major customers

i. DMS

No single customer contributed 10% or more to DMS revenue for years ended 31 March 2019 and 31 March 2018.

ii. VS

(₹ in crores)

Name	For the year ended 31 March 2019	For the year ended 31 March 2018
Customer A	-	38.03
Customer B	55.63	67.85
Customer C	19.38	74.00
Customer D	33.10	29.78
Customer E	32.44	37.65

iii. RE

(₹ in crores)

Name	For the year ended 31 March 2019	For the year ended 31 March 2018
Customer A	111.16	103.68
Customer B	16.62	15.29

Notes forming part of the financial statements
for the year ended 31 March 2019

37. Segment reporting (Contd..)

f. Revenue from major services

i. DMS

(₹ in crores)

Service	For the year ended 31 March 2019	For the year ended 31 March 2018
Internet connectivity	1,274.13	1,183.95
Global virtual private network	1,088.37	1,009.65
Ethernet	832.03	776.62
National private leased circuit	398.29	366.15
International private leased circuit	127.06	132.18
Others	1,238.18	1,082.55
Revenue from operations	**4,958.06**	**4,551.10**

ii. VS

(₹ in crores)

Service	For the year ended 31 March 2019	For the year ended 31 March 2018
International long distance	217.54	437.73
National long distance	72.43	128.83
Others	-	3.24
Revenue from operations	**289.97**	**569.80**

iii. RE

(₹ in crores)

Service	For the year ended 31 March 2019	For the year ended 31 March 2018
Real Estate	141.10	131.13
Revenue from operations	**141.10**	**131.13**

38. Derivatives

Derivatives are not designated as hedging instruments.

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 1 year.

Outstanding derivatives instruments are as follows

(₹ in crores)

Particulars	As at 31 March 2019			As at 31 March 2018		
	(Amount in foreign currency in millions)	(Amount in ₹ crores)	Fair value gain / (loss)	(Amount in foreign currency in millions)	(Amount in ₹ crores)	Fair value gain / (loss)
i. Forward exchange contracts (Buy)						
USD	113.74	829.05	(33.44)	67.70	447.03	1.86
GBP	0.90	8.62	(0.45)	1.40	12.42	0.41

Notes forming part of the financial statements

for the year ended 31 March 2019

39. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(o) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2019 is as follows

(₹ in crores)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives instrument	Amortised cost	Total carrying value
Financial assets					
Investments (other than at cost)	449.44	6.16	-	-	455.60
Other financial assets	56.40	-	-	156.45	212.85
Trade receivables	-	-	-	1,296.68	1,296.68
Cash and cash equivalents	-	-	-	146.24	146.24
Other bank balances	-	-	-	3.49	3.49
Total	**505.84**	**6.16**	**-**	**1,602.86**	**2,114.86**
Financial liabilities					
Borrowings	-	-	-	301.14	301.14
Other financial liabilities	56.40	-	33.89	688.97	779.26
Trade payables	-	-	-	1,802.08	1,802.08
Total	**56.40**	**-**	**33.89**	**2,792.19**	**2,882.48**

The carrying value of financial instruments by categories as at 31 March 2018 is as follows

(₹ in crores)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives instrument	Amortised cost	Total carrying value
Financial assets					
Investments (other than at cost)	162.01	6.16	-	-	168.17
Other financial assets	57.90	-	2.26	172.15	232.31
Trade receivables	-	-	-	1,221.59	1,221.59
Cash and cash equivalents	-	-	-	611.82	611.82
Other bank balances	-	-	-	3.21	3.21
Total	**219.91**	**6.16**	**2.26**	**2,008.77**	**2,237.10**
Financial liabilities					
Borrowings	-	-	-	518.90	518.90
Other financial liabilities	57.90	-	-	467.50	525.40
Trade payables	-	-	-	1,298.47	1,298.47
Total	**57.90**	**-**	**-**	**2,284.87**	**2,342.77**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2019 and 31 March 2018 approximate the fair value because of their short term nature. Difference between carrying amount and fair value of other bank balances, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Notes forming part of the financial statements

for the year ended 31 March 2019

39. Financial instruments (Contd..)

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required)

As at 31 March 2019

(₹ in crores)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
i. Investment in mutual funds	449.44	-	-	**449.44**
ii. Investment in equity shares	-	-	6.16	**6.16**
iii. Guarantee fees receivable from subsidiaries	-	-	56.40	**56.40**
Total	**449.44**	**-**	**62.56**	**512.00**
Financial liabilities				
i. Guarantee fee obligation	-	-	56.40	**56.40**
ii. Derivative financial liabilities	-	33.89	-	**33.89**
Total	**-**	**33.89**	**56.40**	**90.29**

As at 31 March 2018

(₹ in crores)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	162.01	-	-	**162.01**
Investment in equity shares	-	-	6.16	**6.16**
Guarantee fees receivable from subsidiaries	-	-	57.90	**57.90**
Derivative financial assets	-	2.26	-	**2.26**
Total	**162.01**	**2.26**	**64.06**	**228.33**
Financial liabilities				
Guarantee fee obligation	-	-	57.90	**57.90**
Total	**-**	**-**	**57.90**	**57.90**

The investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.

Reconciliation of Level 3 fair value measurement

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	**6.16**	**707.68**
Less: Equity investment at FVTOCI	-	(515.53)
Less: Financial assets at FVTPL	-	(185.99)
Closing balance	**6.16**	**6.16**

40. Financial risk management objectives and policies

The Company's principal financial liabilities other than derivatives, comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, current investments and cash and cash equivalents that derive directly from its operations.

Notes forming part of the financial statements

for the year ended 31 March 2019

40. Financial risk management objectives and policies (Contd..)

The Company has investments on which gain or loss on fair value is recognised through other comprehensive income and also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The senior management reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL and FVTOCI investments and derivative financial instruments.

b) Interest rate risk

Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates as it has long-term debt obligations with fixed interest rates.

c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company's objective is to try and protect the underlying values of the Company's balance sheet forex exposures. Exposures are broadly categorised into receivables and payable exposures.

The Company manages its foreign currency risk by entering into derivatives on net exposures, i.e. netting off the receivable and payable exposures in order to take full benefit of natural hedge.

Non-crystalised (not in books) exposures for which cash flows are highly probable are considered for hedging after due consideration of cost of cover, impact of such derivatives on profit and loss due to MTMs (mark to market loss or gains), market / industry practices, regulatory restrictions etc.

As regard net investments in foreign operations, hedging decisions are guided by regulatory requirement, accounting practices and in consultation and approval of senior management on such hedging action.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which would affect the Statement of Profit and Loss and equity.

The following tables sets forth information relating to unhedged foreign currency exposure (net) as at 31 March 2019 and 31 March 2018.

Notes forming part of the financial statements
for the year ended 31 March 2019

40. Financial risk management objectives and policies (Contd..)

Currency	As at 31 March 2019		As at 31 March 2018	
	Financial liabilities	Financial assets	Financial liabilities	Financial assets
USD	240.95	-	145.72	-
Others	3.31	10.26	1.01	0.66

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹ 11.70 crores and ₹ 7.31 crores for the year ended 31 March 2019 and 31 March 2018 respectively.

d) Equity price risk

The Company's non-listed equity securities are not susceptible to market price risk arising from uncertainties about future values of the investment in securities as these investments are accounted for at cost in the financial statements.

e) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

In determining the allowances for doubtful trade receivables, the Company has used a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables as mentioned below:

(₹ in crores)

Ageing of receivables	As at 31 March 2019	As at 31 March 2018
Within credit period	410.54	447.37
1-90 days	492.00	371.96
91-180 days	116.81	212.52
181-360 days	164.45	111.35
More than 360 days	112.88	78.39
Total	**1,296.68**	**1,221.59**

Movement in expected credit loss allowance

(₹ in crores)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	**240.16**	**210.06**
Movement in expected credit loss calculated based on lifetime expected credit loss method	45.59	30.10
Balance at the end of the year	**285.75**	**240.16**

Notes forming part of the financial statements

for the year ended 31 March 2019

f) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts.

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in crores)

As at 31 March 2019	On demand	0 to 12 months	1 to 5 years	> 5 years	Total
Non-current borrowings	-	-	-	-	-
Other non-current financial liabilities	-	-	32.79	-	32.79
Current borrowings	-	301.14	-	-	301.14
Trade payables	628.21	1,173.87	-	-	1,802.08
Other current financial liabilities	323.99	417.90	-	4.58	746.47

(₹ in crores)

As at 31 March 2018	On demand	0 to 12 months	1 to 5 years	> 5 years	Total
Non-current borrowings	-	-	150.00	-	150.00
Other non-current financial liabilities	-	-	36.01	-	36.01
Current borrowings	-	368.90	-	-	368.90
Trade payables	756.13	542.34	-	-	1,298.47
Other current financial liabilities	331.78	153.03	-	4.58	489.39

Notes forming part of the financial statements

for the year ended 31 March 2019

41. Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

42. Related party transactions

i. Names of related parties and nature of relationship

Sr. No	Category of related parties	Names
a.	Controlling Entities/ Investing parties	Tata Sons Private Limited (investing party upto 27 May 2018 and controlling entity w.e.f 28 May 2018)
		Panatone Finvest Limited (investing party upto 27 May 2018 and controlling entity w.e.f 28 May 2018)
b.	Subsidiaries, associates and joint ventures of controlling entities and their subsidiaries* ("Affiliates")	Tata Teleservices Limited
		Tata Consultancy Services Limited
		TCS e-Serve International Limited
		Tata Sky Limited
		Tata Consultancy Services (South Africa) (PTY) Ltd.
		Conneqt Business Solutions Limited (formerly Tata Business Support Services Limited)
		Tata AIG General Insurance Company Limited
		Tata AIA Life Insurance Company Limited
		Tata Capital Financial Services Limited
		Tata Consulting Engineers Limited
		Tata Sky Broadband Private Limited
		Tata International Limited
		C-Edge Technologies Limited
		Tata Housing Development Company Limited
		MahaOnline Limited
		Tata Interactive Systems GmbH (ceased w.e.f 02 July 2018)
		Tata SIA Airlines Limited
		Tata Asset Management Limited
		Tata Advanced Systems Limited
		MP Online Limited
		AirAsia (India) Limited
		Tata Securities Limited
		Tata Advanced Materials Limited
		Tata Realty and Infrastructure Limited
		TASEC Limited (formerly TAS-AGT Systems Limited)
		Tata Toyo Radiator Limited
		Tata International Wolverine Brands Limited
		Automotive Stampings and Assemblies Limited
		Nova Integrated Systems Limited
		Tata Ficosa Automotive Systems Private Limited
		Tata Capital Housing Finance Limited

Notes forming part of the financial statements
for the year ended 31 March 2019

42. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Capital Forex Limited (formerly TT Holdings & Services Limited) (ceased w.e.f. 30 October 2017)
		Tata Value Homes Limited
		Tata AutoComp GY Batteries Private Limited
		Move On Componentes E Calcado, S.A.
		Arvind and Smart Value Homes LLP
		TRIL Infopark Limited
		TC Travel and Services Limited (ceased w.e.f. 30 October 2017)
		Kriday Realty Private Limited
		Tata Autocomp Katcon Exhaust Systems Private Limited
		Tata Sikorsky Aerospace Limited
		Tata Boeing Aerospace Limited
		APTOnline Limited
		Indian Rotorcraft Limited
		Tata Unistore Limited
		Taj Air Limited
		Tata Limited
		TRIL Amritsar Projects Limited
		TACO Sasken Automotive Electronics Limited
		Tata Capital Limited
		Tata Autocomp Hendrickson Suspensions Private Limited
		Tata Autocomp Systems Limited
		Tata Industries Limited
		Calsea Footwear Private Limited
		TRIL IT4 Private Limited
		HL Promoters Private Limited
		Smart Value Homes (Boisar) Private Limited
		Sector 113 Gatevida Developers Private Limited
		Princeton Infrastructure Private Limited
		Promont Hilltop Private Limited
		Smart Value Homes (Peenya Project) Private Limited
		Kolkata-One Excelton Private Limited
		TM Automotive Seating Systems Private Limited
		Infiniti Retail Limited
		Tata International Metals (UK) Limited
		Eurofins Advinus Limited (ceased to be subsidiary w.e.f. 5 October 2017)
		ATC Telecom Infrastructure Private Limited (formerly Viom Networks Limited)
		Tata Teleservices (Maharashtra) Limited
		ATC Infrastructure Services Private Limited (w.e.f. 31 May 2018) (formerly ATC Infrastructure Services Limited)
		Nelco Limited (w.e.f 28 May 2018)

TATA COMMUNICATIONS

Notes forming part of the financial statements

for the year ended 31 March 2019

42. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tatanet Services Limited (w.e.f 28 May 2018)
		The Tata Power Company Limited (w.e.f 28 May 2018)
		Tata Power Trading Company Limited (w.e.f 28 May 2018)
		The Indian Hotels Company Limited (w.e.f 28 May 2018)
		Titan Company Limited (w.e.f 28 May 2018)
		Voltas Limited (w.e.f 28 May 2018)
		Tata Steel Limited (w.e.f 28 May 2018)
		Tata Motors Limited (w.e.f 28 May 2018)
		TVS Logistics Services Limited (w.e.f 28 May 2018)
		TP Ajmer Distribution Limited (w.e.f 28 May 2018)
		Lokmanaya Hospital Private Limited (w.e.f 28 May 2018)
		Tata Projects Limited (w.e.f 28 May 2018)
		Tata Technologies Limited (w.e.f 28 May 2018)
		Trent Limited (w.e.f 28 May 2018)
		Tata Elxsi Limited (w.e.f 28 May 2018)
		Tata Chemicals Limited (w.e.f 28 May 2018)
		Tata Global Beverages Limited (w.e.f 28 May 2018)
		Tata Motors Finance Limited (formerly Sheba Properties Limited) (w.e.f 28 May 2018)
		Jamshedpur Utilities & Services Company Limited (w.e.f 28 May 2018)
		Roots Corporation Limited (w.e.f 28 May 2018)
		Rallis India Limited (w.e.f 28 May 2018)
		Tata Steel Processing and Distribution Limited (w.e.f 28 May 2018)
		Tata Coffee Ltd. (w.e.f 28 May 2018)
		Star Health & Allied Insurance Company Limited (w.e.f 28 May 2018) (ceased w.e.f. 28 March 2019)
		Tata Power Delhi Distribution Limited (w.e.f 28 May 2018)
		Fiora Services Limited (w.e.f 28 May 2018)
		Tata Marcopolo Motors Limited (w.e.f 28 May 2018)
		Tata Metaliks Ltd. (w.e.f 28 May 2018)
		Piem Hotels Limited (w.e.f 28 May 2018)
		The Tinplate Company of India Limited (w.e.f 28 May 2018)
		TAL Manufacturing Solutions Limited (w.e.f. 29 March 2019)
		Fiora Business Support Services Limited (formerly known as Westland Limited) (w.e.f 28 May 2018)
		Tata Technologies Europe Limited (w.e.f 28 May 2018)
		T S Alloys Limited (w.e.f 28 May 2018)

Notes forming part of the financial statements
for the year ended 31 March 2019

42. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Steel BSL Limited (formerly Bhushan Steel Limited) (w.e.f 28 May 2018)
		Tata Motors Insurance Broking and Advisory Services Limited (w.e.f 28 May 2018)
		Powerlinks Transmission Limited (w.e.f 28 May 2018)
		Indian Steel & Wire Products Ltd. (w.e.f 28 May 2018)
		T.V.Sundram Iyengar & Sons Pvt. Ltd. (w.e.f 28 May 2018)
		Tata Sponge Iron Limited (w.e.f 28 May 2018)
		Maithon Power Limited (w.e.f 28 May 2018)
		Sir Dorabji Tata Trust (w.e.f 28 May 2018)
		Tata Steel Special Economic Zone Limited (w.e.f 28 May 2018)
		Coastal Gujarat Power Limited (w.e.f 28 May 2018)
		Vortex Engineering Private Limited (w.e.f 28 May 2018)
		Tata Power Solar Systems Limited (w.e.f 28 May 2018)
		Fiora Hypermarket Limited (w.e.f 28 May 2018)
		Pamodzi Hotels Plc
		Benares Hotels Limited (w.e.f 28 May 2018)
		United Hotels Limited (w.e.f 28 May 2018)
		Concorde Motors (India) Limited (w.e.f 28 May 2018)
		Sir Ratan Tata Trust (w.e.f 28 May 2018)
		Industrial Energy Limited (w.e.f 28 May 2018)
		Varroc Engineering Private Limited (w.e.f 28 May 2018) (ceased w.e.f 06 July 2018)
		Tata Chemicals Magadi Limited (w.e.f 28 May 2018)
		Shriji Polymers (India) Limited (w.e.f 28 May 2018)
		Inditravel Limited
		TEMA India Private Limited
		International Infrabuild Private Limited
c.	Subsidiaries (Direct)	Tata Communications Payment Solutions Limited
		Tata Communications Transformation Services Limited
		Tata Communications International Pte. Ltd.
		Tata Communications Collaboration Services Private Limited
		Tata Communications Lanka Limited
d.	Subsidiaries (Indirect)	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

Notes forming part of the financial statements
for the year ended 31 March 2019

42. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		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
		Tata Communications (Nordic) AS
		Tata Communications (Poland) Sp. Zoo
		Tata Communications (Portugal) Unipessoal LDA
		Tata Communications (Russia) LLC
		Tata Communications (Portugal) Instalacao E Manutencao De Redes LDA
		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
		SEPCO Communications Pty Ltd.
		Tata Communications (South Korea) Limited
		Tata Communications Transformation Services Pte Limited
		Tata Communications Transformation Services (Hungary) Kft.
		Tata Communications Transformation Services (US) Inc
		Tata Communications Transformation Services South Africa (Pty) Limited (w.e.f 25 April 2017)
		Tata Communications Comunicações E Multimídia (Brazil) Limitada (w.e.f 29 June 2017)
		Tata Communications (Brazil) Participacoes Limitada
		Tata Communications Comunicacoes E Multimidia (Brazil) Limitada
		VSNL SNOSPV Pte Ltd
		Nexus Connexion (SA) Pty Limited
		Tata Communications Move B.V (formerly Telena Holdings B.V.) (w.e.f 03 October 2018)

Notes forming part of the financial statements
for the year ended 31 March 2019

42. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Communications Move Nederland B.V (w.e.f 03 October 2018)
		Tata Communications Move UK Limited (w.e.f 03 October 2018)
		Tata Communications Move Singapore Pte Ltd (w.e.f 03 October 2018)
		MuCoso B.V. (w.e.f 03 October 2018)
		NetFoundry Inc (w.e.f 21 February 2019)
e.	Associates	United Telecom Limited
		STT Global Data Centres India Private Limited
		Smart ICT Services Private Limited
f.	Associates of subsidiaries (Direct)	STT Tai Seng Pte Limited
		Telena Holdings B.V. (upto 02 October 2018)
g.	Key managerial personnel	Mr Vinod Kumar - Managing Director and Group CEO
h.	Others	Multiples Alternate Asset Management Private Limited
		PeopleStrong HR Services Private Limited
		Encube Ethicals Private Limited
		Tata Communications Employee Provident Fund Trust
		Tata Communications Employee Gratuity Trust

* where transactions have taken place

Reimbursement made of expenses incurred by related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions.

On 28 May 2018, Tata Sons Private Limited ('TSPL') and its wholly owned subsidiary, Panatone Finvest Limited ('Panatone'), increased their combined stake in the Company to 48.90% there by gaining de-facto control as per Ind-AS. Accordingly, the Company has classified TSPL and Panatone as "Controlling Entities" and disclosed subsidiaries, joint ventures and associates of Controlling Entities and their subsidiaries as the 'Affiliates' of the Controlling entities, effective this date. The Company had disclosed subsidiaries and joint ventures of Investing Parties and their subsidiaries as 'Affiliates' of the Investing parties in the previous year.

Notes forming part of the financial statements

for the year ended 31 March 2019

42. Related party transactions (Contd..)

ii. Summary of transactions and balances with related parties

(₹ in crores)

Particulars	Controlling Entities/ Investing Parties	Affiliates	Subsidiaries (Direct and Indirect)	Key management personnel	Associates	Others	Total
Transactions with related parties							
Dividend paid							
	62.67	**-**	**-**	**-**	**-**	**-**	**62.67**
	75.52	*-*	*-*	*-*	*-*	*-*	*75.52*
Brand equity expenses							
	-	**-**	**-**	**-**	**-**	**-**	**-**
	12.50	*-*	*-*	*-*	*-*	*-*	*12.50*
Revenue from operations							
	3.25	**626.04**	**92.41**	**-**	**86.74**	**-**	**808.44**
	3.52	*454.02*	*136.28*	*-*	*61.95*	*0.01*	*655.78*
Network and transmission							
	-	**428.57**	**606.15**	**-**	**@**	**-**	**1,034.72**
	-	*261.52*	*99.21*	*-*	*0.87*	*-*	*361.60*
Purchase of property, plant and equipment and other intangible assets							
	-	**14.91**	**22.14**	**-**	**1.98**	**-**	**39.03**
	-	*37.72*	*1.96*	*-*	*-*	*-*	*39.68*
Sale of property, plant and equipment and other intangible assets							
	-	**-**	**5.78**	**-**	**0.73**	**-**	**6.51**
	-	*-*	*7.91*	*-*	*-*	*-*	*7.91*
Services rendered							
	-	**-**	**26.94**	**-**	**4.30**	**-**	**31.24**
	-	*-*	*11.05*	*-*	*20.46*	*-*	*31.51*
Services received							
	0.52	**199.48**	**115.27**	**-**	**41.23**	**-**	**356.50**
	0.58	*178.31*	*135.32*	*-*	*38.52*	*-*	*352.73*
Equity capital contribution							
	-	**-**	**-**	**-**	**35.01**	**-**	**35.01**
	-	*-*	*-*	*-*	*-*	*-*	*-*
Preference capital contribution							
	-	**-**	**-**	**-**	**0.03**	**-**	**0.03**
	-	*-*	*-*	*-*	*0.04*	*-*	*0.04*
Interest income							
	-	**-**	**1.93**	**-**	**-**	**-**	**1.93**
	29.72	*-*	*1.45*	*-*	*-*	*-*	*31.17*
Dividend income							
	-	**-**	**5.91**	**-**	**-**	**-**	**5.91**
	-	*-*	*43.08*	*-*	*-*	*-*	*43.08*
Guarantee fees							
	-	**-**	**30.69**	**-**	**-**	**-**	**30.69**
	-	*-*	*28.19*	*-*	*-*	*-*	*28.19*

@ represents transaction of amounts less than ₹ 50,000

Notes forming part of the financial statements

for the year ended 31 March 2019

42. Related party transactions (Contd..)

(₹ in crores)

Particulars	Controlling Entities/ Investing Parties	Affiliates	Subsidiaries (Direct and Indirect)	Key management personnel	Associates	Others	Total
Loan given							
	-	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*6.23*	*-*	*-*	*-*	*6.23*
Loan repaid							
	-	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*6.36*	*-*	*-*	*-*	*6.36*
Managerial remuneration $							
	-	**-**	**-**	**23.69**	**-**	**-**	**23.69**
	-	*-*	*-*	*26.86*	*-*	*-*	*26.86*
Royalty expense							
	1.09	**-**	**-**	**-**	**-**	**-**	**1.09**
	2.05	*-*	*-*	*-*	*-*	*-*	*2.05*
Conversion of preference investment to equity investment							
	-	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*114.99*	*-*	*-*	*-*	*114.99*
Purchase of current investments							
	-	362.00	-	-	-	-	362.00
	-	-	-	-	-	-	-
Redemption of current investments							
	-	343.09	-	-	-	-	343.09
	-	-	-	-	-	-	-
Contribution to gratuity trust							
	-	**-**	**-**	**-**	**-**	**21.96**	**21.96**
	-	*-*	*-*	*-*	*-*	*5.96*	*5.96*
Contribution to provident fund trust							
	-	**-**	**-**	**-**	**-**	**71.59**	**71.59**
	-	*-*	*-*	*-*	*-*	*64.36*	*64.36*
Balances with related parties							
Receivables							
	0.49	**230.83**	**163.11**	**-**	**57.49**	**-**	**451.92**
	0.68	*183.15*	*81.64*	*-*	*62.71*	*@*	*328.18*
Other financial assets – non current							
	-	**1.36**	**32.79**	**-**	**-**	**-**	**34.15**
	-	*0.28*	*36.01*	*-*	*-*	*-*	*36.29*
Other investments – Current							
	-	**20.00**	**-**	**-**	**-**	**-**	**20.00**
	-	-	-	-	-	-	-
Other financial assets – current							
	-	**0.71**	**31.27**	**-**	**49.41**	**-**	**81.39**
	-	*0.27*	*32.59*	*-*	*70.34*	*-*	*103.20*

@ represents transaction of amounts less than ₹ 50,000

$ includes remuneration paid by subsidiary

Notes forming part of the financial statements
for the year ended 31 March 2019

42. Related party transactions (Contd..)

(₹ in crores)

Particulars	Controlling Entities/ Investing Parties	Affiliates	Subsidiaries (Direct and Indirect)	Key management personnel	Associates	Others	Total
Other assets – non-current							
	-	**0.02**	**-**	**-**	**-**	**-**	**0.02**
	-	-	-	-	-	-	-
Other assets – current							
	@	**16.14**	**28.17**	**-**	**1.35**	**-**	**45.66**
	0.01	*4.82*	-	-	-	-	*4.83*
Trade payables (including capital creditors)							
	10.24	**370.49**	**547.58**	**20.68**	**8.44**	**6.19**	**963.62**
	40.88	*194.91*	*125.34*	*20.52*	*4.23*	*5.61*	*391.49*
Other financial liabilities – current							
	@	**5.33**	**-**	**-**	**17.99**	**-**	**23.32**
	@	*5.12*	-	-	-	-	*5.12*
Other liabilities - non-current							
	-	**39.24**	**3.03**	**-**	**-**	**-**	**42.27**
	-	*0.07*	-	-	-	-	*0.07*
Other liabilities – current							
	0.24	**12.64**	**10.59**	**-**	**-**	**77.46**	**100.93**
	0.07	*6.66*	*4.05*	-	*0.06*	*0.03*	*10.87*
Guarantees on behalf of subsidiaries							
	-	**-**	**300.32**	**-**	**-**	**-**	**300.32**
	-	-	*0.32*	-	-	-	*0.32*
Letter of comfort on behalf of subsidiaries							
	-	**-**	**1,816.85**	**-**	**-**	**-**	**1,816.85**
	-	-	*2,138.88*	-	-	-	*2,138.88*

@ represents balance of amounts less than ₹ 50,000

Previous year figures are in italics

43. Operating lease arrangements

a. As lessee

Operating lease payments represent rentals payable by the Company for certain buildings and satellite channels.

(₹ in crores)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Minimum lease payments under operating leases recognised as expense in the year	30.16	30.09

Notes forming part of the financial statements
for the year ended 31 March 2019

43. Operating lease arrangements (Contd..)

At the balance sheet date, minimum lease payments under non-cancellable operating leases fall due as follows:

(₹ in crores)

	As at 31 March 2019	As at 31 March 2018
Due not later than one year	15.98	32.32
Due later than one year but not later than five years	15.62	31.41
Later than five years	0.24	0.42
	31.84	**64.15**

b. As lessor

i. In case of certain operating lease agreements relating to dark fiber contracts aggregating ₹ 98.70 crores (31 March 2018: ₹ 98.70 crores) as at 31 March 2019, 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 2019 amount to ₹ 5.62 crores (2017 - 2018: ₹ 5.62 crores).

Future lease rental receipts will be recognised in the Statement of Profit and Loss of subsequent years as follows:

(₹ in crores)

	As at 31 March 2019	As at 31 March 2018
Due not later than one year	5.62	5.62
Due later than one year but not later than five years	19.23	21.07
Later than five years	16.27	20.05
	41.12	**46.74**

ii. The Company has leased certain premises under non-cancellable operating lease arrangements to its wholly owned subsidiaries and associates. 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 31 March 2019	As at 31 March 2018
Not later than one year	75.13	112.37
Later than one year but not later than five years	93.31	77.87
Later than five years	58.48	-
	226.92	**190.24**

Lease rental income of ₹ 97.78 crores (2017 - 2018: ₹ 112.83 crores) in respect of the above leases has been recognised in the Statement of Profit and Loss for the current year.

Notes forming part of the financial statements

for the year ended 31 March 2019

44.Contingent liabilities and commitments:

a. Contingent liabilities

(₹ in crores)

	As at 31 March 2019	As at 31 March 2018
i. Guarantees	300.32	0.32
ii. Claims for taxes on income (refer 1 below)		
- Income tax disputes where department is in appeal against the Company	648.86	525.44
- Other tax disputes	1,784.04	1,645.62
iii. Claims for other taxes	26.81	25.76
iv. Other claims (refer 2 below)	2,288.34	2,019.07

1. Claims for taxes on income

Significant claims by the revenue authorities in respect of income tax matters relate to disallowance of deductions claimed under 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 service 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 TRAI Interconnect Usage Charges ("IUC") regulation of reduction in ADC and currently this matter is pending with the Hon'ble Supreme Court. The excess billing of BSNL amounting to ₹ 311.84 crores (31 March 2018: ₹ 311.84 crores) has been disclosed as contingent liability.

ii. On 19 February 2013, Department of Telecommunications ('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 (demanded and accrued till the balance sheet date) is for ₹ 432.11 crores (31 March 2018: ₹ 378.41 crores). The Company has challenged the said demand 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 similar licence fee claim of ₹ 268.75 crores (31 March 2018: ₹ 231.68 crores) (including interest as demanded and accrued till the balance sheet date and penalty) for financial year 2005-06 and the matter is currently outstanding with the Hon'ble Supreme Court. Apart from the above, contingent liabilities include ₹ 500.89 crores (31 March 2018: ₹ 480 crores) as computed by the Company for potential license fee claims on items covered in the demands referred above for the years under assessment.

iii. Upon expiry of the Company's Internet Service Provider ('ISP') license on 24 January 2014, DoT vide letter dated 20 February 2014 extended the validity of the said license for 3 months with condition that entire ISP revenue will be subject to license fees. This conditional extension by DoT, was challenged by the Company in TDSAT, which granted a stay subject to submission of undertaking that if petition fails then applicable license fees would be payable along with interest. Considering the above facts, the Company has disclosed an amount of ₹ 635.87 crores (31 March 2018: ₹ 460.42 crores) including interest under contingent liabilities.

Notes forming part of the financial statements
for the year ended 31 March 2019

44.Contingent liabilities and commitments: (Contd..)

iv. Other claims of ₹ 138.88 crores (31 March 2018: ₹ 156.72 crores) mainly pertain to routine suits for collection, commercial disputes, claims from customers and/or suppliers, BSNL port charges and claim from Employee State Insurance Corporation.

3. During the previous year, the Company and its two directors and an ex-employee had received show cause notices from Directorate of Enforcement, Ministry of Finance on alleged violation of the rules and regulations under the Foreign Exchange Management Act, 1999. The contravention amount involved in all these notices is ₹ 593 crores. The liability could extend up to three times the amount quantified as contravention. The Company had provided ₹ 4.50 crores as compounding penalty, based on a legal opinion. During the current year, Ministry of Information and Broadcasting approval has been received and based on the same the Company has filed its application with RBI for compounding of charges.

Based on the management assessment and legal advice (wherever taken), the Company believes that the above claims are not probable and would not result in outflow of resources.

b. Commitments

i. Capital commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for amount to ₹ 342.28 crores (31 March 2018: ₹ 197.06 crores) (net of capital advances).

ii. Other commitments

1. As at 31 March 2019, the Company has issued Letters of comfort for the credit facility agreements/ derivatives contracts in respect of various subsidiaries (other than guarantees):

(₹ in crores)

Name of the Subsidiary	As at 31 March 2019	As at 31 March 2018
Tata Communications Transformation Services Ltd	117.00	117.00
Tata Communications (Netherlands) B.V.	1,335.85	1,257.88
Tata Communications Payment Solutions Limited (TCPSL)	364.00	764.00
Total	**1,816.85**	**2,138.88**

The Company has given undertaking to the lenders/ derivative counterparts of above subsidiaries that it shall not reduce its ownership below 51% without their consent.

As at 31 March 2019, Letters of comfort utilised are as follows:

(₹ in crores)

Name of the Subsidiary	As at 31 March 2019	As at 31 March 2018
Tata Communications Transformation Services Ltd	0.11	0.78
Tata Communications (Netherlands) B.V.	1,335.85	1,246.99
Tata Communications Payment Solutions Limited (TCPSL)	211.67	469.45
Total	**1,547.63**	**1,717.22**

2. The Company has committed loan facility to wholly owned subsidiaries to the tune of ₹ 4,120.75 crores (31 March 2018: ₹ 3,818.75 crores) as at 31 March 2019, utilisation of which is subject to future requirements and appropriate approval processes from time to time.

3. The Company has committed to subscribe to equity shares rights issue offer of STT Global Data Centers India Private Limited to the tune of ₹ Nil (31 March 2018: ₹ 35.01 crores) as at 31 March 2019.

Notes forming part of the financial statements
for the year ended 31 March 2019

45. Dividend remitted to non-resident shareholders

The Company has not remitted any amount in foreign currencies on account of dividend during the year. The particulars of final dividend for the year ended 31 March 2018 and 31 March 2017 paid to non – resident shareholders are as under:

(₹ in crores)

Name of the Subsidiary	During the year 31 March 2019	During the year 31 March 2018
Number of non – resident shareholders	1,405	1,270
Number of shares held by them	46,095,403	36,679,083
Year to which the dividend relates	2017-2018	2016-2017
Amount remitted	20.74	22.00

46. 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 31 March 2019	As at 31 March 2018
a. Principal amount remaining unpaid to any supplier as at the end of the accounting year	4.23	4.95
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.03	0.03
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	55.89	3.38
d. The amount of interest due and payable for the year	0.03	0.03
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	0.03	0.03
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*	4.26	4.98

* Includes principal amount of ₹ 3.78 crores (31 March 2018: ₹ 4.57 crores) remaining unpaid to supplier prior to scheduled date

Notes forming part of the financial statements

for the year ended 31 March 2019

47. Events after the reporting period

There are no significant subsequent events between the year ended 31 March 2019 and signing of financial statements as on 08 May 2019 which have material impact on the financials of the Company.

48. Approval of financial statements

The financial statements were approved for issue by the board of directors on 8 May 2019.

49. Previous year's figures have been regrouped / rearranged where necessary to confirm to current year's classification / disclosure.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

PRASHANT SINGHAL
Partner
Membership No. 93283

MUMBAI
Dated: 8 May 2019

For and on behalf of the Board of Directors

RENUKA RAMNATH
Chairperson

VINOD KUMAR
Managing Director
& Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

MANISH SANSI
Company Secretary

MUMBAI
Dated: 8 May 2019

Independent Auditor's Report

To the Members of **Tata Communications Limited**

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Tata Communications Limited (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its associates comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (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 and its associates as at March 31, 2019, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of investments in associate and goodwill (as described in notes 7 and 8 of the financial statements)	
Annually, the management assesses the existence of impairment indicators for goodwill & each non-current investment and in case of occurrence, such assets are subjected to an impairment test. As at the reporting date, the Company has goodwill and non-current investments in associates and others amounting to ₹ 86.28 crs and ₹ 895.29 crs respectively, out of which, the management has identified impairment indicators such as revision in contracted rates for major customers having adverse impact on business, decrease in fair valuation etc. in respect of certain investments in associates and others. Accordingly, the investments in associates and others have been tested for impairment as at year end in accordance with Indian Accounting Standard ('Ind AS') 36, "Impairment of Assets" and Ind AS 109 - "Financial Instruments", respectively. Based on the management's assessment, an impairment provision on investment in others of ₹ 45 crs has been recorded in the books as at year-end in the value of non-current investments in the other comprehensive income. In consideration of the judgments required in particular with reference to the forecast of cash flows and the assumptions used in estimating the value-in-use/fair valuation of these investments, we have considered the matter to be a key audit matter.	Our audit procedures related to this key audit matters included the following: We assessed the processes and key controls implemented by the Group related to the identification of impairment loss and determination of necessary impact thereof. We assessed the valuation methodology and evaluated the key assumptions used by the management in the valuations, with the help of valuation experts.
Income from Access Facilitation Charges ('AFC') on Cable Landing Stations ('CLS') (as described in note 26 of the financial statements)	
On November 28, 2018, Telecom Regulatory Authority of India ('TRAI') re-enacted schedules to 2012 Regulation, containing AFC and Operation & Maintenance (O&M) recovery rates with respect to the use of CLS, pursuant to the High Court judgement dated July 2, 2018 and the Hon'ble Supreme Court judgment dated October 8, 2018. TRAI specified that these revised rates are applicable prospectively. The Company had been recognizing AFC revenue and recovery of the O&M charges, as per the erstwhile rates specified in schedules to 2012 Regulation. In view of above facts, during the current year, the Company has recognized the differential AFC revenue of ₹ 89.94 crs and recovery of the O&M charges of ₹ 258.81 crs, for the period January 2013 to November 2018, as per the rates specified in the contracts with the customers. The customers have contested the revised order in the Hon'ble Supreme Court, indicating potential uncertainty with respect to its collection. The Hon'ble Supreme Court in its hearing held on January 28, 2019, have directed the matter to TDSAT for evaluation and have requested the service providers to continue with the services till the disposal of the matter. Considering the fact that the matter is currently litigative and the management has exercised significant judgement in accounting for the same, we have considered the matter to be a key audit matter.	Our audit procedures related to this key audit matters included the following: We have evaluated the customer correspondences and various judgements pronounced by the High court / the Hon'ble Supreme Court and relied upon the independent legal opinions obtained by the Company in this regard. We checked the underlying computation of necessary adjustments recorded in the books.

Key audit matters	How our audit addressed the key audit matter
Contingent liabilities including regulatory matters (as described in note 48(a) of the financial statements)	
As at year end, the Group has contingent liabilities on account of claims raised by various government authorities and litigations in progress. Such claims and litigations primarily include income tax and license fee related matters. Income tax matters mainly relate to disallowance of deductions claimed under section 80 IA of the Income Tax Act, 1961 from assessment years 1996-97 onwards and transfer pricing adjustments added to the assessed income by the revenue authorities. License fee matters comprise of the litigation for renewal of Internet Service Provider license, demands from Department of Telecommunication on the Statement of Adjusted Gross Revenue and License Fees, submitted for the financial years starting from 2002-03 to 2005-06 and demands based on special audit for the financial years 2006-07 and 2007-08. Considering the complexity and uncertainty involved in these litigations and judgement applied in determination of potential outflow as possible, the matter has been considered to be a key audit matter.	Our audit procedures related to this key audit matters included the following: We have assessed the management's assessment of such claims and litigations with the help of experts. With respect to the license fee matters, we have read the independent legal opinions, obtained by the management, to substantiate its positions on the litigated matters. Besides, we have read and checked the underlying supporting documents such as demand letters, computations, etc in order to assess the accuracy and completeness of the amounts disclosed.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (but does not include the consolidated Ind AS financial statements and our auditor's report thereon). The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and perform all procedures as required by SA 720.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of ₹ 130.42 crores as at March 31, 2019, and total revenues of ₹ 54.31 crores and net cash inflows of ₹ 8.27 crores for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 13.84 crores for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of two associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report(s) of such other auditors.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of two subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 3.45 crores as at March 31, 2019, and net cash outflows of ₹ 0.37 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 164.41 crores for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of three associates, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies and its associates incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate companies incorporated in India, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated Ind AS financial statements – Refer Note 48 to the consolidated Ind AS financial statements;

   ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures and joint operations incorporated in India during the year ended March 31, 2019.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Prashant Singhal
Partner
Membership Number: 93283

Place of Signature: Mumbai
Date: May 8, 2019

Annexure to the Independent Auditor's Report of even date on the consolidated financial statements of Tata Communications Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of Tata Communications Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Tata Communications Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

A Company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding reports of the auditor of such associate incorporated in India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Prashant Singhal
Partner
Membership Number: 93283

Place of Signature: Mumbai
Date: May 8, 2019

TATA COMMUNICATIONS

Consolidated Balance Sheet as at 31 March 2019

(₹ in crores)

Particulars	Note	As at 31 March 2019	As at 31 March 2018 (Refer Note 1)
A ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	9,241.49	9,074.98
(b) Capital work-in-progress		298.31	439.53
(c) Investment property	4	226.27	212.20
(d) Investment property under development		46.82	-
(e) Goodwill	5	86.28	-
(f) Other intangible assets	6	1,688.53	1,509.36
(g) Intangible assets under development		63.03	80.78
(h) Financial assets			
(i) Investments			
(a) Investments in associates	7	739.52	897.85
(b) Other investments	8A	155.77	165.66
(ii) Other financial assets	9A	115.52	136.00
(i) Deferred tax assets (net)	18	150.29	93.23
(j) Non current tax asset		1,555.06	1,663.37
(k) Other non-current assets	10A	338.92	337.64
Total non-current assets		**14,705.81**	**14,610.60**
(2) Current assets			
(a) Inventories		76.58	26.99
(b) Financial assets			
(i) Other investments	8B	595.98	186.68
(ii) Trade receivables	1,11	2,968.45	2,953.47
(iii) Cash and cash equivalents	12	789.06	1,256.38
(iv) Bank balance other than (iii) above	13	63.02	39.20
(v) Other financial assets	1, 9B	123.22	143.13
(c) Other current assets	10B	688.53	379.81
		5,304.84	**4,985.66**
Assets classified as held for sale	14	2.11	6.50
Total current assets		**5,306.95**	**4,992.16**
Total assets		**20,012.76**	**19,602.76**
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	285.00	285.00
(b) Other equity	16	(466.81)	214.32
Equity attributable to equity holders of the parent		**(181.81)**	**499.32**
Non-controlling interests		5.76	4.48
Total equity		**(176.05)**	**503.80**
(2) Liabilities			
(i) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17A	6,794.41	5,898.31
(ii) Other financial liabilities	20A	16.65	11.44
(b) Provisions	21A	506.43	486.77
(c) Deferred tax liabilities (Net)	18	61.61	45.54
(d) Other non-current liabilities	22A	3,357.20	3,419.47
Total non-current liabilities		**10,736.30**	**9,861.53**
(ii) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17B	2,370.59	1,778.89
(ii) Trade payables	19	3,688.52	3,471.57
(iii) Other financial liabilities	20B	1,502.70	1,850.88
(b) Other current liabilities	22B	1,592.27	1,493.47
(c) Provisions	21B	95.18	79.64
(d) Current tax liabilities (Net)		203.25	562.98
Total current liabilities		**9,452.51**	**9,237.43**
Total equity and liabilities		**20,012.76**	**19,602.76**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

PRASHANT SINGHAL
Partner
Membership No. 93283

MUMBAI
DATED: 8 May 2019

For and on behalf of the Board of Directors

RENUKA RAMNATH
Chairperson

VINOD KUMAR
Managing Director
& Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

MANISH SANSI
Company Secretary

MUMBAI
DATED: 8 May 2019

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

(₹ in crores)

	Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018 (Refer Note 1)
I	Revenue from Operations	1, 39	16,524.95	16,771.69
II	Other Income	1, 23	60.26	259.66
III	**Total Income (I + II)**		**16,585.21**	**17,031.35**
IV	**Expenses**			
	Network and transmission expense	24	7,162.04	7,903.24
	Employee benefits expense	25	2,959.66	2,977.52
	Finance costs	27	396.55	344.45
	Depreciation and amortisation expense	28	2,067.60	1,906.30
	Operating and other expenses	26	3,658.40	3,478.71
	Total Expenses (IV)		**16,244.25**	**16,610.22**
V	**Profit Before exceptional items and tax (III - IV)**		**340.96**	**421.13**
VI	Exceptional items	29-33	2.24	(375.52)
VII	**Profit before tax and share of loss of associate (V+VI)**		**343.20**	**45.61**
VIII	**Tax Expense/(benefit):**	35		
	(a) Current Tax		332.67	409.16
	(b) Deferred Tax		(59.35)	(54.24)
			273.32	**354.92**
IX	**Profit/(Loss) before share in loss of associate (VII-VIII)**		**69.88**	**(309.31)**
X	**Share in loss of associates**		(150.31)	(16.30)
XI	**(Loss) for the year (IX+X)**		**(80.43)**	**(325.61)**
XII	**Other comprehensive income/(loss)**			
	A (i) Items that will not be reclassified to profit or loss			
	a. Remeasurements of defined benefit plans		(13.37)	39.70
	b. Tax impact on defined benefit plans		4.36	(2.10)
	c. Equity instruments through other comprehensive income	8, 42	(45.00)	(632.07)
	d. Tax impact on equity instruments through other comprehensive income		-	0.14
	e. Share of remeasurements of defined benefit plans in associates (net of tax)		(0.03)	(0.02)
			(54.04)	**(594.35)**
	A (ii) Items that will be reclassified to profit or loss			
	a. Exchange differences in translating the financial statements of foreign operations, net		(365.74)	7.31
	b. Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(33.80)	32.26
	c. Tax impact of cash flow hedge		8.45	(8.26)
	d. Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge in associates		(0.23)	0.18
			(391.32)	**31.49**
XIII	**Other comprehensive income/(loss) for the year, net of tax**		**(445.36)**	**(562.86)**
XIV	**Total comprehensive income/(loss) for the year, net of tax (XII+XIII)**		**(525.79)**	**(888.47)**

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

(₹ in crores)

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018 (Refer Note 1)
Profit/(Loss) for the year attributable to:			
Owners of the Company		(82.37)	(328.60)
Non-controlling interests		1.94	2.99
Other comprehensive (loss) for the year attributable to:			
Owners of the Company		(445.36)	(562.86)
Non-controlling interests		-	-
Total comprehensive (loss) for the year attributable to:			
Owners of the Company		(527.73)	(891.46)
Non-controlling interests		1.94	2.99
Earnings per share	38		
(Face value of equity share of ₹ 10 each)			
Basic and diluted (₹)		(2.89)	(11.53)

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

PRASHANT SINGHAL
Partner
Membership No. 93283

MUMBAI
DATED: 8 May 2019

For and on behalf of the Board of Directors

RENUKA RAMNATH
Chairperson

VINOD KUMAR
Managing Director
& Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

MANISH SANSI
Company Secretary

MUMBAI
DATED: 8 May 2019

Consolidated Cash Flow Statement for the year ended 31 March 2019

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
1 CASH FLOWS FROM OPERATING ACTIVITIES		
LOSS FOR THE YEAR	(80.43)	(325.61)
Adjustments for:		
Income tax expense recognised in consolidated statement of profit and loss	273.32	354.92
Share in loss of associate	150.31	16.30
Depreciation and amortisation expenses	2,067.60	1,906.30
Loss on disposal of property, plant and equipment (net)	1.91	7.09
Interest income on financial assets carried at amortised cost	(4.69)	(41.51)
Finance cost	388.54	339.37
Gain on investments carried at fair value through other comprehensive income	-	(4.07)
Bad debts written off	0.34	43.79
Allowance for trade receivables	81.79	53.41
Interest accretion on decommissioning cost	8.01	5.08
Provision for inventories	2.74	8.92
Accidental damages	-	26.12
Property, plant and equipments written down	-	0.51
Impairment of investments in associates	-	8.50
Provision for contractual obligations	-	185.59
Allowance for doubtful advances	15.15	(0.75)
Gain on investments carried at fair value through profit or loss (net)	(30.04)	(31.85)
Exchange fluctuation	11.86	18.69
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,886.41	2,570.80
Adjustment for (increase)/decrease in operating assets		
Inventories	(51.95)	(11.71)
Trade receivables	1.06	(399.48)
Other assets	(290.36)	139.50
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	69.96	(92.36)
Other liabilties	(178.82)	(246.73)
Provisions	2.76	17.96
Adjustment of translation differences on working capital	(27.42)	(0.36)
Cash generated from operations before tax	**2,411.65**	**1,977.62**
Income tax paid (net of refund)	(567.32)	(264.81)
NET CASH FLOW FROM OPERATING ACTIVITIES	1,844.33	1,712.81
2 CASH FLOW FROM INVESTING ACTIVITIES		
Payment to purchase of property, plant and equipments and intangible assets	(1,748.89)	(1,620.71)
Advance received towards assets held for sale	-	67.00
Proceeds from disposal of property, plant and equipments and intangible assets	10.15	9.71
Proceeds from disposal of asset held for sale	6.57	3.53
Purchase of investments in associates	(35.04)	(0.32)
Purchase of non-current investments	(24.75)	(53.30)
Acquisition of business, net of cash	(100.78)	-
Loans repaid	-	363.42
Purchase of current investments	(7,209.34)	(6,294.62)

Consolidated Cash Flow Statement for the year ended 31 March 2019

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Proceeds from sale of current investments	6,830.08	6,939.09
Proceeds from sale of non-current investments	-	2.27
Fixed deposits placed	(21.32)	25.64
Earmarked funds	(0.28)	11.64
Interest received	5.56	42.98
NET CASH (USED IN) INVESTING ACTIVITIES	**(2,288.04)**	**(503.67)**
3 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Short-term borrowings	1,691.65	2,444.04
Repayment of Short-term borrowings	(1,264.42)	(2,562.82)
Proceeds from Long-term borrowings	1,308.87	2,892.10
Repayment of Long-term borrowings	(1,344.46)	(3,456.97)
Payment to shareholders of subsidiary	-	(96.06)
Payment for finance lease	(5.55)	(6.11)
Dividends paid including dividend tax	(153.40)	(201.12)
Dividends paid to non-controlling interest	(0.66)	(4.78)
Finance cost	(353.27)	(275.61)
Net increase in working capital borrowings	93.54	308.22
NET CASH FLOW (USED IN) FINANCING ACTIVITIES	**(27.70)**	**(959.11)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(471.41)**	**250.03**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	**1,256.38**	**1,002.76**
Exchange difference on translation of foreign currency cash and cash equivalents	4.09	3.59
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	**789.06**	**1,256.38**

i Figures in brackets represent outflows

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

PRASHANT SINGHAL
Partner
Membership No. 93283

MUMBAI
DATED: 8 May 2019

For and on behalf of the Board of Directors

RENUKA RAMNATH
Chairperson

VINOD KUMAR
Managing Director
& Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

MANISH SANSI
Company Secretary

MUMBAI
DATED: 8 May 2019

Consolidated Statement of Changes in Equity as at 31 March 2019

A. Equity share capital

Particulars	Balance as at 1 April 2017	Changes during the year	Balance as at 31 March 2018	Changes during the year	Balance as at 31 March 2019
Amount (₹ in crores)	285.00	-	285.00	-	285.00
No.of Shares	28,50,00,000	-	28,50,00,000	-	28,50,00,000

B. Other equity

(₹ in crores)

Particulars	Capital reserve	Securites premium	General reserve	Debenture redemption reserve	Retained earning	Items of other comprehensive income: Remeasurements of defined benefit plans	Items of other comprehensive income: Equity instrument through other comprehensive income (Refer Note 8)	Items of other comprehensive income: Effective portion of cash flow hedge	Items of other comprehensive income: Foreign exchange/ currency translation reserve	Attributable to owners of the parent	Non-controlling interests	Total other equity
Balance as at 31 March 2017	**206.06**	**725.01**	**5,355.81**	**38.75**	**(4,056.84)**	**(1.16)**	**(243.91)**	**(2.94)**	**(713.88)**	**1,306.90**	**18.37**	**1,325.27**
(Loss) / Profit for the year					(328.60)					**(328.60)**	2.99	**(325.61)**
Other comprehensive income/(loss) (net of tax)						37.58	(631.93)	24.18	7.31	**(562.86)**	-	**(562.86)**
Total comprehensive income/(loss)	-	-	-	-	**(328.60)**	**37.58**	**(631.93)**	**24.18**	**7.31**	**(891.46)**	**2.99**	**(888.47)**
Dividend paid (including dividend tax)					(201.12)					**(201.12)**	(4.84)	**(205.96)**
Reclassification of accumulated other comprehensive income to retained earnings					1.75		(1.75)	-		**-**		
Translation impact of non-controlling interests										**-**	1.36	**1.36**
Payment to non contolling shareholders of subsidiary company										**-**	(13.40)	**(13.40)**
Balance as at 31 March 2018	**206.06**	**725.01**	**5,355.81**	**38.75**	**(4,584.81)**	**36.42**	**(877.59)**	**21.24**	**(706.57)**	**214.32**	**4.48**	**218.80**

Consolidated Statement of Changes in Equity as at 31 March 2019

B. Other equity (Contd..)

(₹ in crores)

Particulars	Capital reserve	Securites premium	General reserve	Debenture redemption reserve	Retained earning	Items of other comprehensive income				Attributable to owners of the parent	Non-controlling interests	Total other equity
						Remeasurements of defined benefit plans	Equity instrument through other comprehensive income (Refer Note 8)	Effective portion of cash flow hedge	Foreign exchange/ currency translation reserve			
(Loss) / Profit for the year					(82.37)					**(82.37)**	1.94	**(80.43)**
Other comprehensive (loss) (net of tax)					-	(9.04)	(45.00)	(25.58)	(365.74)	**(445.36)**	-	**(445.36)**
Total comprehensive income/(loss)					**(82.37)**	**(9.04)**	**(45.00)**	**(25.58)**	**(365.74)**	**(527.73)**	**1.94**	**(525.79)**
Transfer from Debenture redemption reserve to General reserve			1.25	(1.25)								
Dividend paid (including dividend tax)					(153.40)					**(153.40)**	(0.66)	**(154.06)**
Balance as at 31 March 2019	**206.06**	**725.01**	**5,357.06**	**37.50**	**(4,820.58)**	**27.38**	**(922.59)**	**(4.34)**	**(1,072.31)**	**(466.81)**	**5.76**	**(461.05)**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

PRASHANT SINGHAL
Partner
Membership No. 93283

MUMBAI
DATED: 8 May 2019

For and on behalf of the Board of Directors

RENUKA RAMNATH
Chairperson

VINOD KUMAR
Managing Director
& Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

MANISH SANSI
Company Secretary

MUMBAI
DATED: 8 May 2019

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

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 1 April 1986. During the financial 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 is domiciled in India and its registered office is at VSB, Mahatma Gandhi Road, Fort,Mumbai – 400 001.The Company's shares are listed on two recognised stock exchange in India.

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 connectivity services and other value-added services comprising unified conferencing and collaboration services, managed hosting, mobile global roaming and signalling services, transponder lease, television uplinking and other managed services, set up, own and operate white label Automated Teller Machines ("ATMs"), brown label ATMs, data center colocation services, network management and support and other related services.

The shareholders in its Annual General Meeting held on 9 August 2018 approved the change to the main object clause of the Memorandum of Association to. inter-alia include in the objects to be pursued by the Group, leasing, letting out, licensing or developing immovable properties of the Group and to earn income of any nature including inter-alia rental, lease, license income, etc from immovable properties of the Group including land and buildings. Accordingly, the related revenue from real estate business for previous year has been reclassified from 'Other income' to 'Revenue from operations' along with the related receivables in the balance sheet from 'Other financial assets' to 'Trade receivables'. The figures for this business have been disclosed as a separate segment as "Real Estate" in the segment information.

2. Significant accounting policies

a. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as ammended from time to time).

b. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i. Derivative financial instruments,

ii. Certain financial assets and liabilities measured at fair value (Refer accounting policy regarding financial instruments).

The accounting policies adopted for preparation and presentation of financial statements have been consistently applied except for the changes in accounting policy on introduction of Ind AS 115 that was effective for annual period beginning on or after 1 April 2018..

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores (INR 00,00,000), except when otherwise indicated.

The consolidated financial statements have been prepared as a going concern basis including considering continuing financial support to the Group's subsidaries with continuing losses on an accrual basis under the historical cost convention.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company and its associates. Control is achieved when the Company:

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

i. has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

ii. is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the two elements of control listed above.

Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

i. Derecognises the assets (including goodwill) and liabilities of the subsidiary

ii. Derecognises the carrying amount of any non-controlling interests

iii. Derecognises the cumulative translation differences recorded in equity

iv. Recognises the fair value of the consideration received

v. Recognises any surplus or deficit in profit or loss

vi. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities.

d. Business Combination

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value, except that:

i. Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 – Employee Benefits respectively.

ii. Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non Current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non- controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non- Controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of basis of measurement basis is made on transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration, they are measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent settlement dates and is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

e. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (See note d. above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocate to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note f below.

f. Investments in associates and joint ventures

The associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognize impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

g. Cash and cash equivalents

Cash comprises cash on hand including Cash in ATM, Cash in vault with CRA and remittance in transit. 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. Bank overdrafts do not form an integral part of the Group's cash management and so the same is not considered as component of cash and cash equivalents,

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h. Property, plant and equipment

Property, plant and equipment is 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 to bring the assets ready for their intended use.

Jointly owned assets are capitalised in proportion to the Group's ownership interest in such assets.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date and is carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

The depreciable amount for assets is the cost of property, plant and equipment, or other amount substituted for cost, less its estimated residual value, wherever applicable.

Depreciation on property, plant and equipment of the Group has been provided on the straight-line method as per the estimated useful lives. The assets residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Estimated useful lives of Property, plant & equipment of the Company and its Indian subsidiaries are as follows

	Estimated useful life
Plant and machinery	
- Under 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
- Network equipment and components **	3 to 8 years
- Electrical equipment & installations*	10 years
- Earth station & switch*	13 years
- General plant & machinery*	15 years
Furniture & fixture*	10 years
Integrated Building Management Systems **	8 years
Other Office equipment*	5 years
Computers *	3-6 years
Motor Vehicles*	8 to 10 years
Buildings*	
- Building RCC structure	60 years
- Building NON RCC structure	30 years
- Others	3 to 10 years
Leasehold land **	Over the lease period
Leasehold improvements **	Asset life or lease period whichever is lower

* On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

Estimated useful lives of the company's foreign subsidiaries:

	Estimated useful life
Building	15 to 25 years
Plant and machinery	3 to 16 years
- Under Sea cables	20 years or contract period whichever is earlier
Computers	3 to 6 years
Leasehold improvement	Asset life or lease period whichever is lower
Furnitures and fixtures	8 to 15 years
Office equipment	8 to 15 years

**In these cases, the useful lives of the assets are different from the useful lives prescribed in Schedule II to the Companies Act, 2013. The useful 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, manufacturer's warranties, maintenance support, etc. The management believes that these useful lives are realistic and reflect fair approximation of the period for which the assets are eligible to be used.

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Property, plant and equipment is eliminated from financial statements on disposal. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Consolidated Statement of Profit and loss in the year of occurrence.

The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criterias for a provision are met.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

i. Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

Indefeasible Right to Use ('IRU') taken for optical fibres are capitalized as intangible assets at the amounts paid for acquiring such rights. These are amortized on straight line basis, over the period of agreement.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates..

Intangible assets with finite lives are amortized over the expected useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortized as follows

Intangible asset	Expected useful life
Software and application	3 to 6 years
IRU	Over the contract period
Intellectual property rights	10 Years
License fees	25 Years

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

j. Investment properties

Investment properties comprise of land and buildings that are held for long term lease rental yields and/or for capital appreciation. Investment properties are initially recognized at cost including transaction cost. Subsequently investment properties comprising of building are carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on building is provided over the estimated useful lives (refer note 2(h)) as specified in Schedule II to the Companies Act, 2013. The residual values, estimated useful lives and depreciation method of investment properties are reviewed and adjusted on prospective basis as appropriate, at each financial year end. The effects of any revision are included in the Consolidated Statement of Profit and Loss when the changes arise.

Though the Group measures investment properties using cost-based measurement, the fair values of investment properties are disclosed in the notes.

Investment properties are de-recognised when either they have been disposed off or don't meet the criteria of investment property or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Notes forming part of the Consolidated financial statements

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The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Consolidated Statement of Profit and Loss in the period of de-recognition.

k. Impairment of non-financial assets

The carrying values of assets / cash generating units ("CGU") 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 with indefinite useful lives

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 Consolidated 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 fair value less cost of disposal 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 Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are considered.

The Group bases its impairment calculation on detailed budgets and forecast. These budgets and forecast generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows after the significant period.

l. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership of the Group is classified as a finance lease and all other leases are defined as operating lease.

Finance leases are capitalised at the commencement of the lease at the lower of fair value of the leased property at the inception date or the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term since the payment to the lessor is structured in a manner that the increase is not expected to be in line with expected general inflation.

Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to the ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to the ownership of an asset are transferred to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The Group enters into agreements for granting IRU of dark fibre capacities to third parties. These arrangements are classified as operating leases as the title to the assets and significant risks associated with the operation and maintenance of these assets remain with the Group. Upfront consideration is received for these arrangements and the same is deferred over the tenure of the IRU agreement for recognition of the revenue. Unearned IRU revenue net of the amount recognisable within one year is disclosed as deferred revenue in non-current liabilities and the amount recognisable within one year is disclosed as deferred revenue in current liabilities.

m. Inventories

Inventories of traded goods, required to provide Data and Managed Services ("DMS"), are valued at the lower of cost or net realisable value. Cost includes cost of purchase and all expenses incurred to bring the inventory to its present location and condition. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

n. Employee benefits

Employee benefits include contribution to provident fund, employee state insurance scheme, gratuity fund, pension, 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. Postretirement 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 which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through

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other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The net interest expense or income is recognised as part of finance cost in the Consolidated Statement of Profit and Loss.

The Group recognises changes in service costs comprising of current service costs, past-service costs gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Consolidated Statement of Profit and Loss.

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.

iii. Other long-term benefits

Compensated absences, which are not expected to occur within twelve months after the end of the period in which the employee renders the related services, are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

o. Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to the customers. Revenue is recognised upon transfer of control of promised goods or services to the Customers for an amount, that reflects the consideration, the group expects to recieve in exchange for those goods or services in normal couse of business. Revenue is measured at the fair value of the consideration received or receivable excluding taxes collected on behalf of the government and is reduced for estimated credit notes and other similar allowances.

Types of products and services and their recognition criterias are as follows:

i. Revenue from Voice Solutions (VS) is recognised at the end of each month based on minutes of traffic carried during the month.

ii. Revenue from Data Managed Services (DMS) is recognised over the period of the arrangement based on contracted fee schedule or based on usage. In respect of sale of equipment (ancillary to DMS) revenue is recognised when the control over the goods has been passed to the customer and/ or the performance obligation has been fulfilled.

iii. Contracts are unbundled into separately identifiable components and the consideration is allocated to those identifiable components on the basis of their relative fair values. Revenue is recognised for respective components either at the point in time or over time on satisfaction of the performance obligation.

iv. Bandwidth capacity sale under IRU arrangements is treated as revenue from operations. These arrangements do not have any significant financing component and are recognised on a straight line basis over the term of the relevant IRU arrangement.

v. Exchange/ swaps with service providers for VS and DMS are accounted for as non-monetary transactions.

vi. Revenue/Cost Recovery 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:

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- On the basis of number of transactions in such month.
- On the basis of fixed service charge for the number of days of usage in such month.

viii. Income from real estate business and dark fibre contracts are considered as revenue from operations

ix. Revenues from telecommunication network management and support services are derived based on unit-priced contracts. Revenue is recognised as the related services are performed, in accordance with the specific terms of the contract with the customers.

Accounting treatment of assets and liabilities arising in course of sale of goods and services is set out below:

I. Trade receivable

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

II. Contract assets

Contract asset is recorded when revenue is recognized in advance of the Group's right to bill and receive the consideration (i.e. the Company must perform additional services or complete a milestone of performance obligation in order to Bill and receive the consideration as per the contract terms).

II. Contract liabilities

Contract liabilities represent consideration, received from our customers in advance for providing the goods and services promised in the contract. The Company defers recognition of the consideration until the related performance obligation is satisfied. Contract liabilities include recurring services billed in advance and the non-recurring charges recognized over the contract/ service period.

The incremental cost of acquisition or fulfilment of a contract with customer is recognised as an asset and amortised over the period of the respective arrangement. This includes non recurring charges for connectivity services and incentives for customer contracts as disclosed under network and transmission and employee benefits respectively.

p. Other income

i. Dividend from investments is recognised when the right to receive payment is established and no significant uncertainty as to collectability exists.

ii. Interest income - For all financial instruments measured at amortised cost, interest income is recorded on accrual basis.

q. Taxation

i. Current income tax

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 expense relating to overseas operations is determined in accordance with tax laws applicable in respective countries where such operations are domiciled.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Current tax relating to items recognized outside the Consolidated Statement of Profit and Loss is recognized outside the Consolidated Statement of Profit and Loss. Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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ii. Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled and are based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the Consolidated Statement of Profit and Loss is recognized outside the Consolidated Statement of Profit and Loss. Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offseted if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

r. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

When the Group is committed to sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non- controlling interest in its former subsidiary after the sale.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with

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Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non- current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

s. Fair value measurement

The Group measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of a financial asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

t. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and Balances

Transactions in foreign currencies entered into by the Group are accounted for at the exchange rates prevailing on the date of the transaction

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or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the Group, outstanding at the Balance Sheet date are restated at the closing rates prevailing at the end of the reporting period. 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.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the end of the reporting period and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

u. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. .

v. Earnings Per Share

Basic & diluted earnings per share is 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.

w. Provision for decommissioning of assets

The Group's Provision for decommissioning of assets relate to the removal/restoration of/for undersea cables, switches, leased equipment's 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.

Provision for decommissioning of assets costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the Provision for decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Consolidated Statement of Profit and Loss as a finance cost. The estimated future costs of Provision for decommissioning of assets are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

x. Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of an instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A) Financial assets

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business

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for the year ended 31 March 2019

whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

iii. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

iv. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognised (i.e. removed from the Group balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement ; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and maximum amount of consideration that the Group could be required to repay.

v. Impairment of financial assets

The Group assesses impairment based on expected credit loss (ECL) model for the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive Income

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at reporting date.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its

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historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

For assessing ECL on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

B) Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

i. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Loans and borrowings**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis and using the effective interest rate (EIR) method.

- **De-recognition**

  A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Consolidated Statement of Profit and Loss.

ii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities

iii. Derivative financial instruments and Hedge accounting

- **Initial and subsequent measurement**

  The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps, cross currency swaps to hedge its foreign currency risks and interest rate risk. Such derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

  Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

  At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

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The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

- **Cash flow hedges**

  The Group uses Interest Rate Swaps to hedge its exposure to interest rate risk on future cash flows on floating rate loans. The ineffective portion relating to such contracts is recognised in profit and loss and the effective portion is recognised in OCI.

  Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

  If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

- **Embedded derivatives**

  Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are sole payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

y. Significant accounting judgements, estimates and assumption

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liability as at the date of the financial statement and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Judgements

In the process of applying the Company's accounting policies, the Management has made

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

i. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ii. Defined benefit plans

The cost of the defined benefit plan, gratuity and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Useful lives of assets

The Group reviews the useful lives of assets at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

iv. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires estimation of future cash flows, expected to arise from the cash generating unit and the discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment may arise.

v. Provision for decommissioning of assets

Provision for decommissioning of assets relates to the costs associated with the removal of long-lived assets when they will be retired. The Group records a liability at the estimated current fair value of the costs associated with the removal obligations, discounted at present value using risk-free rate of return. The liability for decommissioning of assets is capitalised by increasing the carrying amount of the related asset and is depreciated over its useful life. The estimated removal liabilities are based on historical cost information, industry factors and engineering estimates

vi. Deferred Taxes

Assessment of the appropriate amount and classification of income taxes is dependent on several factors, including estimates of the timing and probability of realisation of deferred income taxes and the timing of income tax payments. Deferred income taxes are provided for the effect of temporary differences between the amounts of assets and liabilities recognised for financial reporting purposes and the amounts recognised for income tax purposes. The Group measures deferred tax assets and liabilities using enacted tax rates that, if changed, would result in either an increase or decrease in the provision for income taxes in the period of change. The Group does not recognize deferred tax assets when there is no reasonable certainty that a deferred tax asset will be realized. In assessing the reasonable certainty, management considers estimates of future taxable income based on internal projections which are updated to reflect current operating trends the character of income needed to realise future tax benefits, and all available evidence.

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vii. **Provisions and contingent liabilities**

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.

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions and contingent liabilities are reviewed at each balance sheet date.

z. **New and amended accounting standards**

The Group has adopted Ind AS 115 "Revenue from Contracts with Customers" based on modified retrospective approach effective 01 April 2018. The effect of the changes as a result of adoption of this new accounting standard is described below:

(₹ in crores)

Statement of Profit and Loss	Year ended 31 March 2019
Revenue from operations – Deferred	(27.21)
Network and transmission – Deferred	28.09
Employee benefits – Deferred	40.00

(₹ in crores)

Statement of Profit and Loss	Year ended 31 March 2019
Favourable impact on Profit before tax	**40.87**

(₹ in crores)

Balance sheet	As at 31 March 2019
Other liabilities	(27.21)
Other assets	68.09

The Group has recognised ₹ 182.44 crores as revenue for goods and services transferred to customers at a point in time.

There have been other amendments and interpretations which became applicable for the first time during the year ended 31 March 2019, the same did not have any impact on the financial statements of the Company.

aa. **Standards issued but not yet effective**

The new standards/ amendments to the standards that are issued but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards/amendments, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 introducing/amending the following standards:

Ind AS 116 Lease

Lease disclosure

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes

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two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company has established an implementation team to implement Ind AS 116 related to the recognition of leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary, including the available transition methods. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The ultimate impact from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. A reliable estimate of the impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plant and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

Notes forming part of the Consolidated financial statements

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3. Property, plant and equipment

(₹ in crores)

Particulars	Freehold land	Leasehold land	Leasehold improvements	Building	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Motor vehicles	Total
Cost										
Balance as at 31 March 2017	**98.38**	**1.42**	**361.53**	**510.60**	**20,901.27**	**201.54**	**119.11**	**749.28**	**1.12**	**22,944.25**
Additions	-	-	108.48	4.89	1,215.82	25.44	5.47	42.01	0.30	1,402.41
Disposals /adjustments	(0.01)	-	(49.33)	(0.02)	(215.90)	(9.51)	(2.71)	(7.71)	-	(285.19)
Effect of foreign currency translation	0.34	-	0.48	0.64	45.26	0.08	0.42	1.20	-	48.42
Transfers to investment property	-	-	-	(1.46)	-	-	-	-	-	(1.46)
Reclassified as held for sale	(2.41)	-	-	(2.51)	(14.92)	(0.69)	(0.02)	(0.01)	-	(20.56)
Balance as at 31 March 2018	**96.30**	**1.42**	**421.16**	**512.14**	**21,931.53**	**216.86**	**122.27**	**784.77**	**1.42**	**24,087.87**
Additions			24.99	20.25	1,398.23	33.43	17.14	57.22	0.42	1,551.68
Disposals /adjustments			(34.02)	(0.02)	(497.95)	(20.48)	(8.72)	(78.18)	-	(639.37)
Recognised on acquisition of subsidiary			0.88		19.71	0.11	0.09	1.16	-	21.95
Effect of foreign currency translation	5.16	-	13.48	9.88	726.62	4.11	2.03	19.70	0.01	780.99
Transfers to investment property	(2.23)			(21.92)						(24.15)
Reclassified as held for sale	0.29	-	-	(0.59)	-	-	-	-	-	(0.30)
Balance as at 31 March 2019	**99.52**	**1.42**	**426.49**	**519.74**	**23,578.14**	**234.03**	**132.81**	**784.67**	**1.85**	**25,778.67**
Accumulated depreciation										
Balance as at 31 March 2017	**-**	**0.03**	**221.56**	**158.11**	**12,393.31**	**137.76**	**78.18**	**661.99**	**0.62**	**13,651.56**
Depreciation	-	-	70.20	13.71	1,432.04	16.08	9.84	41.53	0.10	1,583.50
Disposals /adjustments	-	-	(48.89)	(0.01)	(175.62)	(7.59)	(1.33)	(6.85)		(240.29)
Effect of foreign currency translation	-	-	0.59	0.36	32.35	0.10	0.33	1.26	-	34.99
Transfers to investment property	-	-	-	(0.04)	-	-	-	-	-	(0.04)
Reclassified as held for sale	-	-	-	(1.18)	(14.92)	(0.69)	(0.02)	(0.02)	-	(16.83)
Balance as at 31 March 2018	**-**	**0.03**	**243.46**	**170.95**	**13,667.16**	**145.66**	**87.00**	**697.91**	**0.72**	**15,012.89**
Depreciation			70.10	14.87	1,533.50	18.26	11.38	42.58	0.14	1,690.83
Disposals / adjustments			(33.99)	(0.02)	(489.80)	(20.24)	(8.03)	(78.16)	-	(630.24)
Recognised on acquisition of subsidiary			0.87		16.02	0.03	0.03	0.72	-	17.67
Effect of foreign currency translation			6.13	4.94	419.30	2.23	1.10	18.60	0.01	452.31
Transfers to investment property				(5.80)						(5.80)
Reclassified as held for sale				(0.48)						(0.48)
Balance as at 31 March 2019		**0.03**	**286.57**	**184.46**	**15,146.18**	**145.94**	**91.48**	**681.65**	**0.87**	**16,537.18**
Carrying amount										
Balance as at 31 March 2018	**96.30**	**1.39**	**177.70**	**341.19**	**8,264.37**	**71.20**	**35.27**	**86.86**	**0.70**	**9,074.98**
Balance as at 31 March 2019	**99.52**	**1.39**	**139.92**	**335.28**	**8,431.96**	**88.09**	**41.33**	**103.02**	**0.98**	**9,241.49**

a. Freehold land includes ₹ 0.16 crores (31 March 2018: ₹ 0.16 crores) identified as surplus land. During the previous year, the Board of Directors of the Company at its meeting held on 13 December 2017, approved a draft scheme of arrangement and reconstruction (the "Scheme") between the Company and Hemisphere Properties India Limited and their respective shareholders and creditors. Thereafter, the Company had approached the stock exchanges for their "no objection" to the Scheme. Both BSE and NSE have given their "no objection" to the Scheme. The Company thereafter approached the National Company Law Tribunal ("NCLT") bench at Mumbai for its approval to the Scheme. NCLT vide its order dated 26 March 2018 directed the Company to hold a Shareholders' Meeting of the Company on 10 May 2018 to seek their consent to the Scheme. Accordingly, a meeting of the Equity Shareholders was held on 10 May 2018 wherein the Shareholders have approved the Scheme. NCLT vide its order

Notes forming part of the Consolidated financial statements
for the year ended 31 March 2019

3. Property, plant and equipment (Contd..)

dated 12 July 2018 has approved the Scheme. Further steps for making the Scheme effective are being undertaken by HPIL and the Company.

b. Gross block of buildings includes ₹ 34.20 crores (31 March 2018: ₹ 34.20 crores) for properties at Mumbai in respect of which title deeds are under dispute as at year end and ₹ 0.38 crores (31 March 2018: ₹ 0.38 crores) for sheds at GIDC, Gandhinagar in respect of which agreements have not been executed.

c. Refer note 46 for assets given on operating lease.

4. Investment property

(₹ in crores)

Particulars	Land	Building	Total
Cost			
Balance as at 31 March 2017	**0.53**	**251.62**	**252.15**
Transfers from property, plant and equipment	-	1.46	1.46
Balance as at 31 March 2018	**0.53**	**253.08**	**253.61**
Transfers from property, plant and equipment	2.23	21.92	**24.15**
Balance as at 31 March 2019	**2.76**	**275.00**	**277.76**
Accumulated depreciation			
Balance as at 31 March 2017	**-**	**37.48**	**37.48**
Depreciation	-	3.89	**3.89**
Transfers from property, plant and equipment	-	0.04	**0.04**
Balance as at 31 March 2018	**-**	**41.41**	**41.41**
Depreciation		4.28	**4.28**
Transfers from property, plant and equipment		5.80	**5.80**
Balance as at 31 March 2019		**51.49**	**51.49**
Carrying amount as:			
At 31 March 2018	**0.53**	**211.67**	**212.20**
At 31 March 2019	**2.76**	**223.51**	**226.27**

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4. Investment property

a. Information regarding income and expenditure of investment property

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Rental income derived from investment properties (A)	**106.94**	**103.11**
Direct operating expenses (including repairs and maintenance) generating rental income:		
Rates & taxes	2.10	(0.93)
Repairs and maintenance	12.20	9.99
Other operating expenses	2.47	0.81
Total (B)	**16.77**	**9.87**
Direct operating expenses (including repairs and maintenance) that did not generate rental income:		
Rates & taxes	0.16	0.09
Repairs and maintenance	1.19	1.78
Other operating expenses	0.08	0.06
Total (C)	**1.43**	**1.93**
Total (D) (B+C)	**18.20**	**11.80**
Profit arising from investment property before depreciation and indirect expenses (E) =(A-D)	**88.74**	**91.31**
Less: Depreciation	4.28	3.89
Profit arising from investment properties before indirect expenses	**84.46**	**87.42**

b. Fair value of investment property

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Investment property	1,351.14	1,053.34

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The best evidence of fair value is current price in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- Capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

5. Goodwill

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Cost		
Balance at the beginning of year	169.59	169.59
Recognized on acquisition of subsidiary (refer note 36)	93.32	-
Effect of foreign currency exchange differences	(7.04)	-
Balance at the end of year (a)	**255.87**	**169.59**
Accumulated Impairment loss		
Balance at the beginning of the year	169.59	169.59
Balance at the end of year (b)	**169.59**	**169.59**
Net Carrying amount (a) - (b)	**86.28**	**-**

6. Other intangible assets

(₹ in crores)

Particulars	Software	IRU	License fees	Intellectual Property rights	Total
Cost					
Balance as at 31 March 2017	**1,692.97**	**2,197.54**	**5.35**		**3,895.86**
Additions	228.51	177.94	**-**		**406.45**
Disposals/adjustments	(5.63)	-	**-**		**(5.63)**
Effect of foreign currency translation	4.13	7.08	0.02		**11.23**
Balance as at 31 March 2018	**1,919.98**	**2,382.56**	**5.37**		**4,307.91**
Additions	289.20	111.88			**401.08**
Disposals/adjustments	(63.20)				**(63.20)**
Recognised on acquisition of subsidiaries/ business	51.44	5.31		75.78	**132.53**
Effect of foreign currency translation	67.58	118.64	0.33	(2.45)	**184.10**
Balance as at 31 March 2019	**2,265.00**	**2,618.39**	**5.70**	**73.33**	**4,962.42**
Accumulated amortisation					
Balance as at 31 March 2017	**1,290.72**	**1,182.19**	**1.80**		**2,474.71**
Amortisation	192.11	126.23	**0.57**		**318.91**
Disposals / adjustments	(4.09)	-	-		**(4.09)**
Effect of foreign currency translation	4.39	4.62	0.01		**9.02**
Balance as at 31 March 2018	**1,483.13**	**1,313.04**	**2.38**		**2,798.55**
Amortisation	224.25	143.92	0.69	3.63	**372.49**
Disposals / adjustments	(60.74)				**(60.74)**
Recognised on acquisition of subsidiaries/ business	35.59	5.31		6.56	**47.46**
Effect of foreign currency translation	56.46	59.89	0.14	(0.36)	**116.13**
Balance as at 31 March 2019	**1,738.69**	**1,522.16**	**3.21**	**9.83**	**3,273.89**
Carrying amount					
At 31 March 2018	**436.85**	**1,069.52**	**2.99**	**-**	**1,509.36**
At 31 March 2019	**526.31**	**1,096.23**	**2.49**	**63.50**	**1,688.53**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

7. Investments in associates

a. Breakup of investments in associates (carrying amount determined using the equity method of accounting)

(₹ in crores)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of shares	₹ in crores	No of shares	₹ in crores
a. Unquoted Investments (fully paid)				
i. STT Global Data Centres India Pvt. Ltd (Includes Goodwill of ₹ 485.01 crores) (refer 7 (b) (i) below)	2,730	651.57	2,600	596.95
ii. STT Tai Seng Pte Limited (Includes Goodwill of ₹ Nil crores) (refer (i) and 7 (b) (ii) below)*	78	87.69	78	243.93
iii. Teleena Holding BV (Includes Goodwill of ₹ 48.13 crores as on 31 March 2018) (refer (ii) below)	-	-	393,728	56.73
iv. Smart ICT Services Private Limited (refer (iii) below)	315,186	0.26	283,226	0.24
v. United Telecom Limited (UTL)	5,731,900	-	5,731,900	-
Total of investment in associates		**739.52**		**897.85**
Aggregate carrying value of unquoted investments		**739.52**		**897.85**

i The Group holds 26% stake in STT Tai Seng Pte Limited which is accounted for as equity method investment. During the year ended March 31, 2019 the Group accounted for the loss of ₹ 164.16 crores primarily due to impairment of goodwill and intangibles recognised by STT Tai Seng Pte Limited, based on the audited financial statements dated April 15, 2019 of the investee as at and for the year ended December 31, 2018. The Group's share of loss has been reflected under "Share in Loss of associate".

ii During the year, the Group acquired the balance 64.64% stake in Teleena Holdings BV (Teleena) making it a wholly owned subsidiary (Refer Note 36).

iii During the current year, the company acquired 31,960 cumulative non-convertible Redeemable preferance share of smart ICT Private Limited.

b. Material Associates

The following associates are assumed to be material in the Group:

Name of the associate	Principal activity	Place of incorporation	Proportion of ownership interest/ voting right held by the Group	
			As at 31 March 2019	As at 31 March 2018
STT Global Data Centres India Private Limited	Data Center	India	26.00%	26.00%
STT Tai Seng Pte Ltd	Data Center	Singapore	26.00%	26.00%

i. STT Global Data Centres India Private Limited (STT – India)

The Group has considered this investment to be an investment in associate as it retains shareholding of 26% in STT - India with a right to appoint two directors on their Board. The financial year end date of STT Global Data Centres India Private Limited is 31 March.

During the current year, the Company invested an additional amount of ₹ 35.01 crores in STT - India

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

7. Investments in associates (Contd..)

ii. STT Tai Seng Pte Limited (STT – Singapore)

The Group has considered this investment to be an investment in associate as it retains shareholding of 26% in STT - Singapore with a right to appoint two directors on their Board.

The financial year end date of STT Tai Seng Pte Limited is 31 December. For the purpose of equity method accounting as at 31 March 2019, appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2019.

c. Details of Material Associates

The Group has 26% interest in STT – India and STT - Singapore. The Group's interest is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarized financial information:

(₹ in crores)

Particulars	STT – India As at 31 March 2019	STT – Singapore As at 31 March 2019
Non-current assets	1,602.16	639.76
Current assets	372.14	181.41
Non-current liabilities	1,028.26	270.33
Current liabilities	305.45	213.41
	640.59	**337.43**

(₹ in crores)

Particulars	STT – India Year ended 31 March 2019	STT – Singapore Year ended 31 March 2019
Income	935.85	309.54
Profit / (loss) for the year	75.53	(631.41)
Other comprehensive income/(loss)	(0.11)	30.48
Total comprehensive income / (loss) for the year	75.42	(600.93)
Group's share of profit / (loss) for the year	19.63	164.16
Group's share of total comprehensive income / (loss) for the year	19.61	(156.24)

(₹ in crores)

Particulars	STT – India As at 31 March 2018	STT – Singapore As at 31 March 2018
Non-current assets	1,206.83	1223.26
Current assets	454.52	136.13
Non-current liabilities	914.20	259.70
Current liabilities	316.60	161.50
	430.55	**938.19**

Notes forming part of the Consolidated financial statements
for the year ended 31 March 2019

7. Investments in associates (Contd..)

(₹ in crores)

Particulars	STT – India Year ended 31 March 2018	STT – Singapore Year ended 31 March 2018
Income	883.64	260.45
Profit for the year	30.74	29.92
Other comprehensive income/(loss)	(0.07)	74.95
Total comprehensive income for the year	30.67	104.87
Group's share of profit for the year	7.99	7.78
Group's share of total comprehensive income for the year	7.97	27.26

(₹ in crores)

Particulars	STT – India As at 31 March 2019	STT – Singapore As at 31 March 2019
Net Assets of the associate	640.59	337.43
Proportion of Groups ownership (%)	26%	26%
Proportion of Groups ownership	166.55	87.73
Goodwill	485.01	-
Carrying amount of Group's interest	651.56	87.73

(₹ in crores)

Particulars	STT – India As at 31 March 2018	STT – Singapore As at 31 March 2018
Net Assets of the associate	430.55	938.19
Proportion of Groups ownership (%)	26%	26%
Proportion of Groups ownership	111.94	243.93
Goodwill	485.01	-
Carrying amount of Group's interest	596.95	243.93

d. Financial information in respect of Individually not material associates

Aggregate financial information of associates that are individually not material

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Group's share of profit/(loss)	(5.78)	(32.07)
Group's share of Other Comprehensive Income	2.48	10.59
Group's share of Total Comprehensive Income	(3.30)	(21.48)

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Aggregate carrying amount of Group's interest in these associates	0.26	56.97

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

7. Investments in associates (Contd..)

e. Unrecognised share of loss of an associate

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Unrecognised share of loss for the year of an associate (UTL)	(15.33)	(16.17)

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Accumulated unrecognised share of loss of an associate (UTL)	(62.76)	(47.43)

The Group has absorbed the share of loss in United Telecom Limited to the extent of its investments. The Group does not foresee any additional liability in UTL as there is no further commitment to fund losses. Therefore, the share in contingent liabilities of UTL is not disclosed below.

8. Other investments

(₹ in crores)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of shares	₹ in crores	No of shares	₹ in crores
A. Non-current				
Investments at FVTOCI				
a. Fully paid equity shares - unquoted				-
-Tata Teleservices Ltd.* (refer a below)	598,213,926	-	598,213,926	-
-Sentient Technologies Holdings Limited (refer b below)	-		5,938,768	4.92
Other investment		19.15		13.23
Sub-total (a)		**19.15**		**18.15**
b. Fully paid preference shares – unquoted				
- Evolv Technology Solutions, Inc.	2,98,329	0.46		
- Sentient Technologies Holdings Limited (refer b below)			29,832,877	32.28
Sub-total (b)		**0.46**		**32.28**
c. Investment in limited liability partnership firm (unquoted)			-	
-Northgate Telecom Innovations Partners L.P. (refer c below and Note 42)		136.16		115.23
Sub-total (c)		**136.16**		**115.23**
Total (a)+(b)+(c)		**155.77**		**165.66**
Aggregate market value of quoted investments		-		-
Aggregate carrying value of unquoted investments		155.77		165.66
Total		**155.77**		**165.66**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

8. Other investments (Contd..)

(₹ in crores)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of shares	₹ in crores	No of shares	₹ in crores
B. Current				
Investments at FVTPL (Mutual funds)		595.98		186.68
Market value of investments is equal to carrying value				

*Equity investment in this company is subject to certain restrictions on transfer as per the terms of individual contractual agreements.

a. Based on certain developments in TTSL during the previous year, the Company had recognized a loss of ₹ 515.53 crores (cumulative ₹ 748.03 crores) through other comprehensive income.

b. During the year ended March 31, 2019, the equity and preference shareholders of Sentient Technologies Holdings Limited (Sentient), have agreed to transfer substantially all of the assets to Evolv Technology Solutions, Inc. ('Evolv') in exchange of preference share in Evolv in favour of preference shareholders of Sentient only. Accordingly, the Group has recorded a fair value loss of ₹ 34.16 crores and ₹ 5.27 crores on its preference and equity shares respectively in Sentient through other comprehensive income. (Also refer notes 42)

c. The following are additional details in respect of investments in partnership firms:

Northgate Telecom Innovations Partners L.P.

Name of partners	Total capital (USD)	Share of each partner	Total capital (USD)	Share of each partner
	As at 31 March 2019		As at 31 March 2018	
Northgate Telecommunications. L.P.	669,697	1%	587,878	1%
Tata Communications (America) Inc	22,100,000	33%	19,400,000	33%
TeleKom Malaysia Berhad	22,100,000	33%	19,400,000	33%
TIM tank S.r.l.	22,100,000	33%	19,400,000	33%

d. **Category-wise other investments**

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Investments at fair value through profit or loss (FVTPL)		
Investment in mutual funds	595.98	186.68
Investments at fair value through other comprehensive income (FVTOCI)		
Unquoted equity shares and other instruments treated as equity investments	155.77	165.66
Quoted equity shares		-
Total other investments	**751.75**	**352.34**

Notes forming part of the Consolidated financial statements

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9. Other financial assets

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non – current		
a. Interest rate swaps designated in hedge accounting relationship	-	**16.12**
b. Advance for litigation (refer note 31)		
Unsecured, considered doubtful	-	1,058.00
Less: Allowance for doubtful	-	(1058.00)
Sub-total (b)	**-**	**-**
c. Security deposits – Unsecured		
a. Unsecured, considered good	108.08	112.44
b. Unsecured, considered doubtful	8.67	2.43
Less: Allowance for doubtful security deposits	(8.67)	(2.43)
Sub-total (c)	**108.08**	**112.44**
d. Pension contributions recoverable from Government of India (net) - Unsecured, considered good (refer a below)	7.44	7.44
Sub-total (A)	**115.52**	**136.00**
B. Current		
a. Interest rate swaps designated in hedge accounting relationship	6.23	11.33
b. Forward contract not designated in hedge accounting relationship	3.98	2.98
c. Interest receivable – Unsecured, considered good	0.73	1.58
d. Security deposits – Unsecured, considered good		
a. Unsecured, considered good	28.90	21.20
b. Unsecured, considered doubtful	1.22	0.99
Less: Allowance for doubtful security deposits	(1.22)	(0.99)
Sub-total (d)	**28.90**	**21.20**
e. Advances to related parties – Unsecured, considered good	50.14	70.61
f. Other advances/receivables		
a. Unsecured, considered good	33.24	35.43
b. Unsecured considered doubtful	0.55	2.33
Less: Allowance for doubtful advances/receivables	(0.55)	(2.33)
Sub-total (f)	**33.24**	**35.43**
Sub-total (B)	**123.22**	**143.13**
Total (A) + (B)	**238.74**	**279.13**

a. As at 31 March 2019, the proportionate share of pension obligations and payments of ₹ 61.15 crores (31 March 2018: ₹ 61.15 crores) to the erstwhile OCS employees was recoverable from the Government of India ("the Government"). Pursuant to discussion with the Government, the Company had made a provision of ₹ 53.71 crores (31 March 2018: ₹ 53.71 crores) resulting in a net amount due from the Government towards its share of pension obligations of ₹ 7.44 crores (31 March 2018: ₹ 7.44 crores)

Notes forming part of the Consolidated financial statements

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10. Other assets

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non-current		
a. NLD license fees recoverable from Government of India – Unsecured, considered good		
i. Unsecured, considered good	-	0.64
ii. Unsecured, considered doubtful	0.64	
Less: allowance for doubtful license fees	(0.64)	
Sub-total (a)	**-**	**0.64**
b. Amount paid under protest – Unsecured, considered good		
i. Unsecured, considered good	0.01	25.61
ii. Unsecured, considered doubtful	33.60	-
Less: allowance for doubtful advances (refer note 21(ii))	(33.60)	-
Sub-total (b)	**0.01**	**25.61**
c. Capital advances		
i. Unsecured, considered good	19.19	3.40
ii. Unsecured, considered doubtful	6.05	6.01
Less: allowance for doubtful balance	(6.05)	(6.01)
Sub-total (c)	**19.19**	**3.40**
d. Prepaid expenses – Unsecured considered good	274.18	262.68
e. Pension asset recoverable – Unsecured, considered good	45.54	45.05
f. Other advances/receivables		
i. Unsecured, considered good		0.26
ii. Unsecured, considered doubtful	0.19	0.03
Less: Allowance for doubtful advances	(0.19)	(0.03)
Sub-total (f)	**-**	**0.26**
Sub-total (A)	**338.92**	**337.64**
B. Current		
a. Balance with Government Authorities – Unsecured, considered good		
- Indirect taxes recoverable (net)	246.67	90.27
b. Advances to contractors and vendors - Unsecured considered good	45.12	32.07
c. Prepaid expenses – Unsecured considered good		
From related parties	18.57	5.00
From others	357.35	235.04
Sub-total (c)	**375.92**	**240.04**
d. Advances to Employees		
i. Unsecured, considered good	10.92	10.96
ii. Unsecured, considered doubtful	0.40	0.65
Less: Allowance for doubtful advances	(0.40)	(0.65)
Sub-total (d)	**10.92**	**10.96**
e. Other advances/receivables - Unsecured, considered good		
i. Considered good	9.90	6.47
ii. Considered doubtful	1.89	0.03
Less: Allowance for doubtful advances	(1.89)	(0.03)
Sub-total (e)	**9.90**	**6.47**
Sub-total (B)	**688.53**	**379.81**
Total (A) + (B)	**1,027.45**	**717.45**

Notes forming part of the Consolidated financial statements

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11. Trade receivable

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured (including unbilled receivables)		
Considered good	2,968.45	2,953.47
Considered doubtful	492.22	399.54
	3,460,67	3,353.01
Less: Allowance for doubtful receivables (refer note 43 (b))	(492.22)	(399.54)
	2,968.45	**2,953.47**

12.Cash and cash equivalents

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
a. Cash on hand	0.02	0.13
b. Cheques on hand	0.26	440.28
c. Remittances in transit	117.31	36.60
d. Cash at Automated Teller Machines (ATM)	367.82	430.03
e. Cash in Vault	28.67	41.45
f. Balances with Banks		
- Current accounts with banks	209.81	234.97
- Deposit accounts with banks	65.17	72.92
	789.06	**1,256.38**

13. Bank balances

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
In earmarked accounts		
a. Deposits with original maturity over three months	59.53	35.99
b. Deposit accounts held as margin money (refer a. below)	2.79	2.64
c. Unpaid dividend accounts	0.70	0.57
	63.02	**39.20**

a. ₹ 2.75 crores (31 March 2018: ₹ 2.63 crores) held towards sales consideration of Chennai land as per direction of Panatone Finvest Limited and ₹ 0.04 crores (31 March 2018: ₹ 0.01 crore) held towards other legal matters.

Notes forming part of the Consolidated financial statements

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14. Assets classified as held for sale

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
a. Staff Quarters (Refer a. below)	2.11	2.32
b. Land at Guldhar Repeater Station	-	0.45
c. Land and building in Lake Cowichan Site (United States of America)	-	3.73
	2.11	**6.50**

a. The Management intends to dispose off a parcel of the Company's few staff quarters. The Company was only able to partially dispose off its assets classified as held for sale as at 31 March 2018 on account of certain circumstances beyond its control which lead to extension of the period required to complete the sale. An active program is in place to complete the sale and it is expected to be completed in the next 12 months. Accordingly, these assets have been classified as assets held for sale as at 31 March 2019. Further the fair value of these assets is higher than its carrying value as at 31 March 2019 and hence, no impairment loss has been recognized.

15. Equity share capital

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
a. Authorised		
400,000,000 (31 March 2018: 400,000,000) Equity shares of ₹ 10 each	400.00	400.00
b. Issued, subscribed and paid up		
285,000,000 (31 March 2018: 285,000,000) Equity shares of ₹ 10 each, fully paid up	285.00	285.00

a. Issued, subscribed and paid up

There is no change in the issued, subscribed and paid up share capital of the Company during the current 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.

c. The Board of Directors have recommended a dividend of ₹ 4.50 per share (2017-2018: ₹ 4.50 per share) for the year ended 31 March 2019.

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of shares	Percentage	No of shares	Percentage
Panatone Finvest Limited	99,172,854	34.80%	85,776,654	30.10%
Government of India	74,446,885	26.12%	74,446,885	26.12%
Tata Sons Private Limited	40,087,639	14.07%	40,087,639	14.07%

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16. Other equity

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
a. Capital reserve (refer a. below)	206.06	206.06
b. Securities premium	725.01	725.01
c. General reserve	5,357.06	5,355.81
d. Debenture redemption reserve (refer b. below)	37.50	38.75
e. Retained earning	(4,820.58)	(4,584.81)
f. Remeasurement of retirement benefit plan	27.38	36.42
g. Reserve for equity instrument through OCI	(922.59)	(877.59)
h. Effective portion of cash flow hedge	(4.34)	21.24
i. Foreign currency translation reserve (net)	(1,072.31)	(706.57)
	(466.81)	**214.32**

Notes:

a. Capital reserve: It includes ₹ 205.22 crores in respect of foreign exchange gains on unutilized proceeds from Global Depository Receipts in earlier years.

b. Debenture redemption reserve (DRR): The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debenture) Rules, 2014 (as amended), require that where a company issues debenture, it shall create a DRR out of profits of the Company available for payment of dividend. The Company is required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to DRR may not be utilised by the Company except to redeem debentures.

17. Borrowings

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non – current		
a. Secured		
i. Debentures		
Taxable rated non-convertible redeemable debentures (refer a. below)		
50, 11.25% Rated debentures of face value ₹10 lakhs each	-	5.00
Sub-total (a)	**-**	**5.00**
b. Unsecured		
i. Debentures		
Taxable rated non-convertible redeemable debentures (refer b below)		
1,500, 9.85% Rated debentures of face value ₹ 10 lakhs each	150.00	150.00
ii. Term loan from banks (refer b (i) below)	7,266.30	6,766.55
iii. Term loan from Others (refer b (ii) below)	192.23	279.52
Sub-total (b)	**7,608.53**	**7,196.07**
Total (a + b)	**7,608.53**	**7,201.07**

Notes forming part of the Consolidated financial statements

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17. Borrowings (Contd..)

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Less: Arrangement fees	(44.18)	(52.99)
Less: Current maturities of long term borrowings (refer note 20)	(769.94)	(1,249.77)
Sub-total (A)	**6,794.41**	**5,898.31**
B. Current		
a. Unsecured		
From banks		
i. Buyer's credit (rate of interest per annum – 2019: 2.27% to 3.60%, 31 March 2018: 1.20% to 2.94%)	301.14	368.90
ii. Other term loans (2019: 2.60% to 8.45% 31 March 2018: 1.68% to 2.82%)	1,282.14	730.02
iii. Loan repayable on demand (Bank overdraft)	787.31	679.97
Sub-total (B)	**2,370.59**	**1,778.89**
Total (A) + (B)	**9,165.00**	**7,677.20**

Notes:

Summary of borrowing arrangements

a. Unsecured debentures

The outstanding 1,500, 9.85% debentures amounting to ₹ 150 crores are due for redemption on 2 July 2019. This has been reclassified to current maturities of long term borrowings.

For facilitating the above redemption, the Company has created a DRR of ₹ 37.50 (31 March 2018: ₹ 37.50 crores).

b. Term Loans from banks and others

i. Unsecured term loans from banks

As at 31 March 2019

Currency of loan	₹ in crores	Rate of Interest	Maturities
USD	1,315.18	LIBOR plus 1.05%	September 2021 & December 2021
USD	188.54	LIBOR plus 0.65%	September 2019- September 2021
USD	692.20	LIBOR plus 1.50%	December 2020 - December 2021
USD	2,647.67	LIBOR plus 1.00%	December 2019 - May 2021 - May 2022
USD	1,384.40	LIBOR plus 1.20%	January, 2022
USD	1,038.30	LIBOR plus 1.35%	February 2021
Total	**7,266.29**		
Less: Arrangement fees	(44.18)		
Less: Current maturities	(524.07)		
	6,698.04		

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17. Borrowings (Contd..)

As at 31 March 2018

Currency of loan	₹ in crores	Rate of Interest	Maturities
USD	248.55	LIBOR plus 0.65%	September 2018 - September 2021
USD	651.80	LIBOR plus 1.50%	December 2020 - December 2021
USD	1,303.60	LIBOR plus 1.40%	December 2019 - December 2020*
USD	2,933.10	LIBOR plus 1.00%	December 2018 - May 2022
USD	1,629.50	LIBOR plus 1.35%	February 2019 - February 2021
Total	**6,766.55**		
Less: Arrangement fees	(52.99)		
Less: Current maturities	(1,146.27)		
	5,567.29		

LIBOR – London Interbank Offered Rate

* During the year, the Group has prepaid these loans before the scheduled maturity dates.

ii. Unsecured term loans from others

As at 31 March 2019

Currency of loan	₹ in crores	Rate of Interest	Maturities
USD	79.15	2.46% Fixed	April 2019 - July 2021
USD	74.10	2.65% Fixed	August 2019 - February 2022
USD	38.99	3.05% Fixed	June 2019 - March 2020
Total	**192.24**		
Less: Current maturities	(95.87)		
	96.37		

As at 31 March 2018

Currency of loan	₹ in crores	Rate of Interest	Maturities
USD	112.75	2.46% Fixed	April 2018 - July 2021
USD	94.45	2.65% Fixed	August 2018 - February 2022
USD	72.32	3.05% Fixed	June 2018 - March 2020
Total	**279.52**		
Less: Current maturities	(98.50)		
	181.02		

c. Loan covenant

Term loans from banks contain certain debt covenants relating to limitation on indebtedness, tangible net worth, EBIDTA to net interest ratio, total net fixed assets to net debt ratio and net debt to EBIDTA ratio. The limitation on indebtedness covenant gets suspended if the Group meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorization of the financial statements. The Group has also satisfied all other debt covenants prescribed in the terms of bank loan.

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for the year ended 31 March 2019

18. Deferred tax

A. Significant components of net deferred tax assets and liabilities for the year ended 31 March, 2019 are as follows:

(₹ in crores)

Particulars	Opening balance as at 1 April 2018	Recognised in consolidated statement of Profit or Loss	Recognised in OCI	Effect of foreign exchange	Acquisitions/ disposals	Closing balance as at 31 March2019
Deferred tax asset/(liabilities) (net)						
Difference between accounting and tax depreciation / amortization	(90.66)	42.60	-	1.69	(18.00)	(64.37)
Unearned income and deferred revenue	28.36	(1.79)	-	(0.76)	-	25.81
Provision for doubtful trade receivables and advances	89.95	17.99	-	(0.02)	-	107.92
Accrued expenditure	106.33	(11.56)	-	(0.17)	-	94.60
Interest received on provisional income-tax assessment	7.31	(0.50)	-	-	-	6.81
Provision for employee benefits	43.22	5.92	(0.47)	(0.10)	-	48.57
Carry forward net operating losses	2.85	(0.47)	-	(0.07)	--	2.31
Expenditure incurred on NLD license fees	5.52	(1.84)	-	-	-	3.68
Foreign currency revaluation (gain)/loss	(9.74)	9.83	-	-	-	0.09
Revaluation of investments	(134.92)	(1.25)	-	-	-	(136.17)
Undistributed earning	(7.71)	(2.09)	-	(0.46)	-	(10.26)
Others	7.18	2.51	-	-	-	9.69
Total deferred tax assets/ (liabilities) (net)	**47.69**	**59.35**	**(0.47)**	**0.11**	**(18.00)**	**88.68**

B. Gross deferred tax assets and liabilities as at 31 March 2019 are as follows:

(₹ in crores)

Particulars	Assets	Liabilities	Deferred tax assets/(liabilities) (net)
Deferred tax assets / (liabilities) (net) in relation to			
Difference between accounting and tax depreciation/ amortization	12.43	(76.80)	(64.37)
Unearned income and deferred revenue	3.83	21.98	25.81
Provision for doubtful trade receivables and advances	107.31	0.61	107.92
Accrued expenditure	92.06	2.54	94.60
Interest received on provisional income-tax assessment	6.81	-	6.81
Provision for employee benefits	48.11	0.46	48.57
Carry forward net operating losses	2.31	-	2.31
Expenditure incurred on NLD license fees	3.68	-	3.68
Foreign currency revaluation (gain)/loss	0.23	(0.14)	0.09
Revaluation of investments	(136.17)	-	(136.17)
Undistributed earning	-	(10.26)	(10.26)
Others	9.69	-	9.69
Total deferred tax assets/ (liabilities)	**150.29**	**(61.61)**	**88.68**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

18. Deferred tax (Contd..)

C. Significant components of net deferred tax assets and liabilities for the year ended 31 March,2018 are as follows:

(₹ in crores)

Particulars	Opening balance as at 1 April 2017	Recognised in consolidated statement of Profit or Loss	Recognised in OCI	Effect of foreign exchange	Acquisitions/ disposals	Closing balance as at 31 March2018
Deferred tax asset/(liabilities) (net)						
Difference between accounting and tax depreciation / amortization	(124.32)	33.92	-	(0.26)	-	(90.66)
Unearned income and deferred revenue	36.89	(8.48)	-	(0.05)	-	28.36
Provision for doubtful trade receivables and advances	73.99	15.94	-	0.02	-	89.95
Accrued expenditure	84.33	21.90	-	0.10	-	106.33
Interest received on provisional income-tax assessment	10.41	(3.10)	-	-	-	7.31
Provision for employee benefits	56.49	(13.34)	0.08	(0.01)	-	43.22
Carry forward net operating losses	3.43	(0.59)	-	0.01	-	2.85
Expenditure incurred on NLD license fees	7.29	(1.77)	-	-	-	5.52
Foreign currency revaluation (gain)/loss	(8.77)	(0.96)	-	(0.01)	-	(9.74)
Revaluation of investments	(135.43)	(0.14)	0.65	-	-	(134.92)
Undistributed earning	(12.13)	4.42	-	-	-	(7.71)
Others	0.74	6.44	-	-	-	7.18
Total deferred tax assets/ (liabilities) (net)	**(7.08)**	**54.24**	**0.73**	**(0.20)**	**-**	**47.69**

D. Gross deferred tax assets and liabilities as at 31 March 2018 are as follows:

(₹ in crores)

Particulars	Assets	Liabilities	Deferred tax assets/(liabilities) (net)
Deferred tax assets / (liabilities) (net) in relation to			
Difference between accounting and tax depreciation/ amortization	(20.36)	(70.30)	(90.66)
Unearned income and deferred revenue	4.11	24.25	28.36
Provision for doubtful trade receivables and advances	87.88	2.07	89.95
Accrued expenditure	99.44	6.89	106.33
Interest received on provisional income-tax assessment	7.31	-	7.31
Provision for employee benefits	43.13	0.09	43.22
Carry forward net operating losses	2.83	0.02	2.85
Expenditure incurred on NLD license fees	5.52	-	5.52
Foreign currency revaluation (gain)/loss	(8.89)	(0.85)	(9.74)
Revaluation of investments	(134.92)	-	(134.92)
Undistributed earning	-	(7.71)	(7.71)
Others	7.18	-	7.18
Total deferred tax assets/ (liabilities)	**93.23**	**(45.54)**	**47.69**

Notes forming part of the Consolidated financial statements
for the year ended 31 March 2019

18. Deferred tax (Contd..)

Unrecognized deductible temporary difference, unused tax losses and unused tax credits

Details of temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognized in the balance sheet.

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax assets with no expiry date	729.21	409.37
Deferred tax assets with expiry date*	439.65	857.68

*These would expire between 2022 & 2039

19. Trade payables

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
a. Payable to related parties	500.25	335.57
b. Other creditors	3,188.27	3,136.00
	3,688.52	**3,471.57**

20. Other financial liabilities

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non-current		
a. Interest rate swaps designated as hedge accounting relationships	10.53	
b. Finance lease liability	6.12	11.44
Sub-total (A)	**16.65**	**11.44**
B. Current		
a. Forward contract not designated in hedge accounting relationship	33.89	0.44
b. Current maturities of long term borrowings (refer note 17)	769.94	1249.77
c. Capital creditors	495.70	400.46
d. License fees payable	58.83	58.28
e. Interest accrued but not due on loan from banks	26.86	25.60
f. Deposits from customers and contractors	86.74	79.44
g. Government of India account	20.57	20.57
h. Unpaid dividend (refer a. below)	0.70	0.57
i. Finance lease liability	7.04	5.46
j. Book Overdraft	1.69	6.71
k. Other liabilities	0.74	3.58
Sub-total (B)	**1,502.70**	**1,850.88**
Total (A) + (B)	**1,519.35**	**1,862.32**

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

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

21. Provisions

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non-current		
a. Provision for employee benefits (refer note 37):		
- Compensated absences	54.08	52.81
- Post-employment medical benefits	122.26	114.81
- Pension	28.87	34.49
- Gratuity	12.64	23.98
b. Provision for decommissioning cost	288.58	260.68
c. Provision for contingencies	-	-
Sub-total (A)	**506.43**	**486.77**
B. Current		
a. Provision for employee benefits (refer note 37)		
- Compensated absences	55.04	54.07
b. Other provisions	40.14	25.57
Sub-total (B)	**95.18**	**79.64**
Total (A) + (B)	**601.61**	**566.41**

Movement of provisions

(₹ in crores)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Provision for decommissioning cost (refer i below)	Provision for others (refer ii below)	Provision for decommissioning cost (refer i below)	Provision for others (refer ii below)
Opening balance	260.68	25.57	178.54	25.85
-Addition	15.90	40.14	80.68	-
-Effect on account of disposal of a subsidiary				
-Effect of change in foreign currency translation	15.86		1.46	
-Utilisation/adjustment	(0.55)	(25.57)		
-Provision no longer required written back	(3.31)		-	(0.28)
Closing balance	**288.58**	**40.14**	**260.68**	**25.57**
Non-current provisions	**288.58**		**260.68**	**-**
Current provisions	**-**	**40.14**	**-**	**25.57**

i. The provision for decommissioning cost has been recorded in the books of the Group in respect of certen fiexd assets.

ii. Provision for others is mainly towards demand/notice received from Employee State Insurance Corporation and Directorate of Revenue Intelligence net of amount paid under protest (₹ 33.60 crores) as disclosed in note 10.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

22. Other liabilities

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non-current		
a. Deferred revenue (refer i below)	3,258.69	3,297.13
b. Accrued employee benefits	42.31	57.63
c. Lease equalisation liabilities	50.75	58.93
d. Other liabilities	5.45	5.78
Sub-total (A)	**3,357.20**	**3,419.47**
B. Current		
a. Deferred revenues and advances received from customers	941.47	759.50
b. Accrued employee cost	513.54	609.71
c. Statutory liabilities		
- TDS	21.83	32.86
- Others	14.94	13.16
d. Other liabilities	100.49	78.24
Sub-total (B)	**1,592.27**	**1,493.47**
Total (A) + (B)	**4,949.47**	**4,912.94**

i. **Deferred revenue represents contract liabilities**

23. Other income

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Interest on		
i. Bank deposits	3.67	6.73
ii. Other loans and advances (refer a. below)	1.02	34.78
b. Gain on investments at FVTPL	30.04	31.85
c. Gain on disposal of property, plant and equipment (net)	7.76	0.41
d. Foreign exchange gain/ (loss) (net)	(32.13)	(64.47)
e. Liabilities no longer required – written back	23.11	6.53
f. Interest on income tax refund	3.79	199.30
g. Shared service fees from associate	0.65	13.46
h. Others	22.35	31.07
	60.26	**259.66**

a. Interest on other loans and advances during the current year includes net interest income of ₹ Nil (2017-18: ₹ 29.72 crores) on the advances given to Tata Sons Private Limited. For details, refer note 30.

24. Network and transmission expenses

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Charges for use of transmission facilities (refer a below)	6,842.58	7,619.84
b. Royalty and license fee to Department of Telecommunications	222.82	195.27
c. Rent of landlines and satellite channels	96.64	88.13
	7,162.04	**7,903.24**

a. Charges for use of transmission facilities include cost of certain equipment ancillary to these services of ₹ 153.77 crores (2017 – 2018: ₹ 141.41 crores).

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

25. Employee benefit expenses

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Salaries and related costs	2,758.30	2,743.51
b. Contributions to provident, gratuity & other funds (refer note 37)	108.65	137.46
c. Staff welfare expenses	92.71	96.55
	2,959.66	**2,977.52**

26. Operating and other expenses

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Consumption of stores	2.48	4.70
b. Light and power	283.86	253.75
c. Repairs and maintenance		
i. Buildings	47.70	42.93
ii. Plant and machinery (refer i below)	1,276.75	1,254.28
iii. Others	0.03	0.37
d. Bad debts	0.34	43.79
e. Allowance for doubtful trade receivables	81.79	53.41
f. Allowance for doubtful advances	15.15	(0.75)
g. Rent	310.68	312.26
h. Rates and taxes	109.60	90.23
i. Travelling	142.34	140.57
j. Telephone	30.03	34.00
k. Printing, postage and stationery	12.03	11.07
l. Legal and professional fees	311.72	215.44
m. Advertising and publicity	227.58	234.75
n. Commission	30.05	38.61
o. Services rendered by agencies	368.60	417.47
p. Insurance	18.50	16.51
q. Corporate social responsibility expenditure (Refer ii below)	16.52	17.09
r. Donations	0.06	0.15
s. Other expenses (refer note 34)	372.59	298.08
	3,658.40	**3,478.71**

i. During the current year, based on the Supreme Court directives, Telecom Regulatory Authority of India ('TRAI') issued notification stating that new regulation on the Cable Landing Station ('CLS') charges would be effective from its publication on official Gazette i.e. 28 November 2018. Accordingly, the Company has recorded revenue from operations of ₹ 89.94 crores and operating and maintenance recovery of ₹ 258.81 crores in operating and other expenses. The Company has challenged the jurisdiction of TRAI on issue of regulation on CLS in the Hon'ble Supreme Court. Access seekers and CLS operators have also filed a a petition in TDSAT for declaring retrospective applicability of the newly notified regulation on CLS.

ii. Disclosure in respect of Corporate social responsibility (CSR) expenditure

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 towards CSR amount to ₹ 16.52 crores (2017 - 2018: ₹ 17.09 crores). The Company and its Indian subsidiaries spent ₹ 16.52 crores (2017- 2018: ₹ 17.09 crores) during the year on CSR activities mainly for promotion of education, social business projects etc. including ₹ 1.07 crores (2017-2018: ₹ 6.85 crores) on construction/acquisition of assets.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

27. Finance cost

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Interest on loans from banks	353.15	253.66
b. Interest on debentures	15.23	15.34
c. Other interest (refer a below)	28.17	75.45
	396.55	**344.45**

a. Includes interest cost on actuarial valuation, accretion expenses on decommissioning cost liability and amortization of arrangements fees on borrowings.

28. Depreciation and amortisation expenses

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Depreciation on property, plant and equipment (refer note 3)	1,690.83	1,583.50
b. Depreciation on investment properties (refer note 4)	4.28	3.89
c. Amortization on intangible assets (refer note 6)	372.49	318.91
	2067.60	**1,906.30**

Depreciation and amortization expenses include additional depreciation of ₹ 36.81 crores (2017-2018: ₹ 94.29 crores) on certain assets that are not in use.

29. Staff cost optimization

As part of its initiative to enhance the long-term efficiency of the business, the Group undertook organisational changes to align to the Group's current and prospective business requirements. These changes involved certain positions in the Group becoming redundant. During the previous year, the Group incurred a one time charges of ₹ 139.87 crores. During the current year, the Group has adjusted excess accrual of ₹ 2.24 crores.

30. Provision for contractual obligation

By its judgment and order dated April 28, 2017, the Delhi High Court declared the award dated 22 June, 2016, made by the Arbitral Tribunal, London, to be enforceable in India and to operate as a deemed decree of that Court. In accordance inter-alia with inter se agreement dated 25 March,2009 and the Promoter Deed of Adherence dated 25 March, 2009, the Company's share of amount payable to DoCoMo was ₹ 1,058.00 crores. The Company had advanced the sum of ₹ 1,058.00 crores to Tata Sons Private Ltd in financial year 2016-17 which was shown as 'Advance for litigation' in the financial statements. During the said financial year, the Company provided for ₹ 872.01 crores towards its contractual obligations whilst the balance amount of ₹ 185.99 crores continued as 'Advance for litigation'. During the previous year, the net amount of ₹ 185.99 (including foreign exchange gain of ₹ 0.40 crores) had been provided and disclosed as exceptional item in the statement of profit and loss account. The Company has written off the entire amount of 'Advance for litigation; of ₹ 1,058 crores.

In accordance with the said judgment and order of the Delhi High Court and the award of the Arbitral Tribunal, upon payment of its aforesaid share of ₹ 1,058.00 crores, the Company received 158,350,304 shares of Tata Teleservices Ltd during the year, which have been recorded at ₹ Nil.

In addition, during the previous year, Tata Sons private Ltd has settled the aforementioned advances and the Company has also received interest income from Tata Sons Ltd of ₹ 29.72 crores.

31. Accidental damages

During the previous year, the Company made a provision for loss caused due to malfunctioning of the fire suppression system at one of its offices amounting to ₹ 26.12 crores. The Company has filed an insurance claim for the same and settlement of the insurance claim is under process.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

32. Provision for contingencies

During the previous year, the Company provided 15.44 crores as provision for contingencies, for certain legal matters that had attained finality based on the court judgement..

33. Impairment of investment in associates

During the previous year, the Group recorded an impairment loss of ₹ 8.50 crs in its consolidated financial statements on its investments in Teleena which was accounted as an investment in associates as on 31 March 2018.

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Staff cost optmisation (refer note 29)	(2,24)	139.87
Provision for contractual obligation (refer note 30)	-	185.59
Accidental damages (refer note 31)	-	26.12
Provision for contingencies (refer note 32)	-	15.44
Impairment of investments in associates	-	8.50
	(2.24)	**375.52**

34. Auditors' remuneration

(Included in other expenses under operating and other expenses – refer note 26)

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Payment to statutory auditor		
i. For audit fees	4.04	4.04
ii. For taxation matters	0.13	0.13
iii. For other services	2.25	2.39
iv. For reimbursement of expenses	0.34	0.38
b. Payment to cost auditor		
i. For cost audit services	0.06	0.07

Above amount excludes GST/ Services tax

35. Income tax

i. Income tax recognised in profit or loss

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
In respect of current year	323.89	409.38
In respect of prior years	8.78	(0.22)
Sub-total current tax (a)	**332.67**	**409.16**
Deferred tax		
In respect of the current year	(72.09)	(75.61)
In respect of prior years	12.74	21.37
Sub-total deferred tax (b)	**(59.35)**	**(54.24)**
Total (a+b)	**273.32**	**354.92**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

35. Income tax (Contd..)

Income tax expense for the year reconciled to the accounting profit as follows

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax from operations	**343.20**	**45.61**
Income tax expense calculated at (34.944% (2017-2018: 34.608%)	**119.93**	**15.78**
(Income)/expenses (net) not taxable/deductible	35.59	12.64
Effect of provision for contractual obligation		64.23
Adjustment in respect of previous years	21.52	21.15
Impact of change in statutory tax rates		17.28
Differences arising from different tax rates	14.17	105.06
Tax on undistributed earnings of subsidiary	2.10	(4.42)
Losses and deductible difference against which no deferred tax assets recognised	54.56	103.40
Foreign withholding tax not recoverable	16.25	13.99
Others, net	9.20	5.81
Income tax expense recognised in Consolidated Statement of Profit or Loss	**273.32**	**354.92**

ii. Income tax recognised in other comprehensive income

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax expense/(income) (a)	13.21	(10.95)
Deferred tax expense/(income) (b)	(0.47)	0.73
Total (a+b)	**12.74**	**(10.22)**
Bifurcation of income tax recognized in OCI		
Items that will not be reclassified to profit or loss	4.29	(1.96)
Items that will be reclassified to profit or loss	8.45	(8.26)

As at 31 March 2018, current tax liability (net) includes ₹ 260.96 crores for which there is a corresponding advance tax.

36. Business acquisition

On October 2, 2018, the Group through its wholly owned subsidiary, Tata Communications (Netherlands) BV acquired an additional ownership interest in Teleena Holdings (B.V) (Teleena) of 64.64% for a cash consideration of ₹ 105.40 crores. As a result of the additional acquisition, the Group's ownership in Teleena increased from 35.36% to 100%. Consequently, Teleena became a subsidiary and has been consolidated from the date of acquisition of controlling interest.

Notes forming part of the Consolidated financial statements

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36. Business acquisition (Contd..)

The following table summarised the consideration paid and the fair values of the assets acquired and liabilities assumed as at the acquisition date

(₹ in crores)

Particulars	Amount
Cash	105.40
Fair value of Group's previously held interest prior to business combination*	53.45
Total consideration	**158.85**

*The Group evaluated the carrying value of investment in Teleena as on March 31, 2018 and accounted an impairment loss of ₹ 8.50 crores in the previous year under exceptional items. The adjusted carrying value after impairment as on March 31, 2018 of ₹ 56.73 crores has been reduced for its share of losses during the period ended April 1, 2018 to October 1, 2018.

The recognised amounts of identifiable assets acquired and liabilities assumed as on the acquisition date are as follows:

(₹ in crores)

Particulars	Amount
Property, plant and equipments	4.90
Identifiable intangible assets*	88.93
Trade receivables	20.89
Cash and cash equivalents	4.63
Other assets	5.81
Trade payable	(25.39)
Deferred tax liability	(18.11)
Other liabilities	(16.13)
Net identifiable assets	**65.53**
Goodwill	93.32
Total consideration	**158.85**

* Identifiable intangible assets mainly include intellectual property rights amounting to ₹ 72.13 crores.

The following table supplements pro-forma results of operations for the years ended March 31, 2019 and March 31, 2018 giving effect to the acquisition, as if it had occurred on April 1, 2017

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from Operations	16,564.70	16,857.94
Net Loss	(92.20)	(351.59)

Revenue and loss after tax of Teleena post acquisition that have been included as part of consolidated financial statement is ₹ 24.53 crores and ₹ 59.57 crores

Notes forming part of the Consolidated financial statements

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37. Employee benefits

(A) Indian entities (Defined benefit plan):

Retirement Benefits

Provident fund:

The Company makes contribution towards provident fund (the 'Fund') under a defined benefit plan for employees which is is administered by the Trustees of the Tata Communications Employees' Provident Fund Trust (the 'Trust'). The Company's Indian subsidiaries make contribution towards provident fund under a defined contribution plan for employees which is administered by the Regional Provident Fund Commissioner. Under both the above schemes, each employer is required to contribute a specified percentage of payroll cost to fund the benefits.

The rules of the 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 ₹ 43.91 crores (2017-2018: ₹ 43.27 crores) have been charged to the Consolidated Statement of Profit and Loss under Contribution to Provident and other funds in Note 26 "Employee Benefits".

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC judgement.

Gratuity:

The Company and one of its Indian subsidiaries make annual contributions under the Employee's Gratuity Scheme to a fund administered by trustees of the Tata Communications Employees' Gratuity Fund Trust (the 'Trust') 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 day's 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 other Indian 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 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.

Notes forming part of the Consolidated financial statements
for the year ended 31 March 2019

37. Employee benefits (Contd..)

These plans typically expose the Group to actuarial risk such as investment risk, interest rate risk, longevity risk and salary risk:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the plan has a relatively balanced mix of investments in government securities, high quality corporate bonds, equity and other debt instruments.
Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The most recent actuarial valuation of the plan assets and defined benefit obligation has been carried out as at 31 March 2019 by an independent Actuary.

The details in respect of the status of funding and the amounts recognised in the Company's consolidated financial statements for the year ended 31 March 2019 and 31 March 2018 for these defined benefit schemes are as under:

Particulars	As at 31 March 2019	As at 31 March 2018
I Principal actuarial assumptions:		
Discount rate	7.30%	7.50%
Increase in compensation cost	6% to 7%	6% to 7%
Health care cost increase rate	7.00%	7.00%
Attrition rate	3% to 15 %	3% to 15%
Post retirement mortality	Annuitants mort 96-98	Annuitants mort 96-98
Increase in dearness allowance	5%	5%

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

37. Employee benefits (Contd..)

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 into account inflation, seniority, promotion and other relevant factors.

(₹ in crores)

Particulars	Gratuity		Medical benefits (unfunded)		Pension plan (unfunded)	
	As at 31 March		As at 31 March		As at 31 March	
	2019	2018	2019	2018	2019	2018
II Change in the defined benefit obligation						
Obligation at the beginning of the period	133.81	113.63	114.81	113.72	31.59	31.59
Current service cost	11.55	10.57	0.67	0.70	-	-
Past service plan amendment		30.49		-	-	-
Interest cost	9.36	7.76	8.09	7.73	2.13	1.91
Obligation transferred from / (to) other companies	(0.02)	(0.25)		-		-
Actuarial (gains)/ losses – experience	0.19	(0.88)	9.87	9.19	(0.84)	9.29
Actuarial (gains)/ losses - Financial assumptions	1.86	(15.83)	2.53	(3.73)	0.65	(1.06)
Benefit Paid	(18.05)	(11.68)	(13.71)	(12.80)	(6.47)	(10.14)
Closing defined benefit obligation	**138.70**	**133.81**	**122.26**	**114.81**	**27.06**	**31.59**

(₹ in crores)

Particulars	Gratuity		Medical benefits (unfunded)		Pension plan (unfunded)	
	As at 31 March		As at 31 March		As at 31 March	
	2019	2018	2019	2018	2019	2018
III Change in fair value of Assets						
Opening fair value of plan assets	109.83	99.69	-	-	-	-
Interest income on plan assets	8.47	7.14	-	-	-	-
Employer's contribution	23.68	11.02	-	-	-	-
Transfer (to)/from other company	-	1.73	-	-	-	-
Return on plan assets greater/(lesser) than discount rate	1.83	3.61	-	-	-	-
Acquistion adjustments	-	(1.94)	-	-	-	-
Benefits paid	(17.76)	(11.42)	-	-	-	-
Closing fair value of plan assets	**126.05**	**109.83**	**-**	**-**	**-**	**-**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

37. Employee benefits (Contd..)

(₹ in crores)

Particulars	Gratuity		Medical benefits (unfunded)		Pension plan (unfunded)	
	As at 31 March		As at 31 March		As at 31 March	
	2019	2018	2019	2018	2019	2018
IV Amount recognized in accumulated OCI						
Cumulative actuarial (gain) or loss recognised via OCI at prior period end	(12.63)	7.69	33.27	27.81	24.49	16.26
OCI pertaining to discontinued operation	-	-	-	-	-	-
Actuarial (gains)/losses recognised in OCI during the year	0.22	(20.32)	12.40	5.46	(0.19)	8.23
Cumulative actuarial (gain) or loss recognised via OCI period end	**(12.41)**	**(12.63)**	**45.67**	**33.27**	**24.30**	**24.49**

(₹ in crores)

Particulars	Gratuity		Medical benefits (unfunded)		Pension plan (unfunded)	
	As at 31 March		As at 31 March		As at 31 March	
	2019	2018	2019	2018	2019	2018
V Amount recognized in the consolidated balance sheet						
Present value of obligations	138.69	133.81	122.26	114.81	27.06	31.59
Fair value of plan assets at the end of period	(126.05)	(109.83)		-		-
Net (asset)/liability in the consolidated balance sheet	**12.64**	**23.98**	**122.26**	**114.81**	**27.06**	**31.59**
Non-current provisions (refer note 21A)	12.64	23.98	122.26	114.81	27.06	31.59

(₹ in crores)

Particulars	Gratuity		Medical benefits (unfunded)		Pension plan (unfunded)	
	Year ended 31 March		Year ended 31 March		Year ended 31 March	
	2019	2018	2019	2018	2019	2018
VI Expenses recognised in the consolidated statement of Profit or Loss						
Current service cost (note 25)	11.55	10.57	0.67	0.70	-	-
Past service cost - plan amendments (note 25)	-	30.49	-	-	-	-
Net interest cost (note 27)	0.89	0.62	8.09	7.73	2.13	1.91
Components of defined benefit costs recognized in the consolidated statement of Profit or Loss	**12.44**	**41.68**	**8.76**	**8.43**	**2.13**	**1.91**

Notes forming part of the Consolidated financial statements
for the year ended 31 March 2019

37. Employee benefits (Contd..)

(₹ in crores)

Particulars	Gratuity		Medical benefits (unfunded)		Pension plan (unfunded)	
	Year ended 31 March		Year ended 31 March		Year ended 31 March	
	2019	2018	2019	2018	2019	2018
VII Expenses recognised in the consolidated statement of OCI						
Actuarial (gain)/loss due to DBO experience	0.19	(0.88)	9.87	9.19	(0.84)	9.29
Actuarial (gain)/loss due to DBO assumption changes	1.86	(15.83)	2.53	(3.73)	0.65	(1.06)
Return on plan assets (greater)/less than discount rate	(1.83)	(3.61)	-	-	-	-
Actuarial (gains)/ losses recognized in OCI	**0.22**	**(20.32)**	**12.40**	**5.46**	**(0.19)**	**8.23**

Particulars	Gratuity (funded)	
	As at 31 March	
	2019	2018
VIII Categories of plan assets as a percentage of total plan assets		
Govt. of India Securities (Central and state)	36.70%	36.05%
High quality corporate bonds (including Public Sector Bond)	37.60%	39.66%
Equity shares of listed companies	13.62%	13.71%
Cash (including Special Deposits)	6.64%	8.52%
Others	5.44%	2.06%
Total	**100.00%**	**100.00%**

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets. This policy has been implemented during the current and prior years.

The Group's policy and objective for plan assets management is to maximize 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.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

37. Employee benefits (Contd..)

IX A quantitative sensitivity analysis for significant assumption as at 31 March 2019 and 31 March 2018 is as shown below: (As per actuarial valuation report). The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

(₹ in crores)

Particulars	Gratuity (funded)		Medical benefits (unfunded)		Pension (unfunded)	
	As at		As at		As at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate						
Increase (1%)	(8.84)	(8.41)	(11.75)	(11.03)	(3.07)	(3.25)
Decrease (1%)	10.03	9.54	14.22	13.35	3.54	3.74
Salary escalation rate						
Increase (1%)	7.30	6.97	-	-	-	-
Decrease (1%)	(6.96)	(6.62)	-	-	-	-
Attrition Rate						
Increase (5%)	2.97	3.44	(4.76)	(4.69)	-	-
Decrease (5%)	(4.34)	(5.12)	4.04	4.03	-	-
Post Retirement Mortality						
Increase (3 years)	-	-	(11.77)	(10.82)	(5.74)	(5.78)
Decrease (3 years)	-	-	12.05	11.04	6.42	6.44
Increase in dearness allowance						
Increase (1%)	-	-	-	-	8.64	9.01
Decrease (1%)	-	-	-	-	(7.84)	(8.17)
Healthcare cost increase rate						
Increase (1%)	-	-	10.12	9.60	-	-
Decrease (1%)	-	-	(8.44)	(7.99)	-	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes forming part of the Consolidated financial statements
for the year ended 31 March 2019

37. Employee benefits (Contd..)

(₹ in crores)

Particulars	Gratuity (funded)	Medical benefits (unfunded)	Pension plan (unfunded)
	As at 31 March 2019	As at 31 March 2019	As at 31 March 2019
IX Maturity profile of defined benefit plan			
Expected benefit payments for the year ending			
31 March 2020	16.07	8.74	14.70
31 March 2021	15.08	8.90	15.44
31 March 2022	17.00	9.09	16.21
31 March 2023	18.55	9.26	17.02
31 March 2024	17.49	9.38	17.87
31 March 2025 to 31 March 2029	95.76	48.84	103.67
Total expected payments	**179.95**	**94.21**	**184.91**

i. 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 60 days in addition to accumulated leave balance available in accumulated quota. During the previous year, this was 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 total liability for compensated absences as at the year-end is ₹ 63.39 crores (31 March 2018: ₹ 61.43 crores), liability shown under non-current provisions ₹ 54.08 crores (31 March 2018: ₹ 52.81crores) and current provisions ₹ 9.31 crores (31 March 2018: ₹ 8.62 crores). The amount charged to the Consolidated Statement of Profit and Loss under salaries and related costs in note 26 "Employee benefits" is ₹ (10.88) crores (2017- 2018: ₹ (10.98) crores).

(B) Foreign entities:

i. 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 ₹ 44.73 crores (2017- 2018: ₹ 41.34 crores) is charged to Consolidated Statement of Profit and Loss under Contribution to Provident and other funds in Note 26 "Employee Benefits".

ii. 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")

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

37. Employee benefits (Contd..)

covering certain senior executives in Canada. 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 defined benefit plan in Canada expose the Group to different risks such as:

Investment risk	The financial situation of the plan is calculated using a prescribed discount rate. If the return on assets is lower than the discount rate, it will create a deficit.
Interest rate risk	A variation in bond rates will affect the value of the defined benefit obligation and of the assets.
Longevity risk	A greater increase in life expectancy than the one predicted by the mortality table used will increase the defined benefit obligation.
Inflation risk	The defined benefit obligation is calculated taking into account an increase in the level of salary and cost of living adjustment. If actual inflation is greater than expected, that would result in an increase in the defined benefit obligation.
Health care cost trend risk	The defined benefit obligation of the Post-Retirement Benefits (Other than Pension) is calculated taking into account a health care cost trend rate. If the trend is greater than expected, that would result in an increase in the defined benefit obligation for the plan.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit obligation in Canada were carried out as at March 31, 2019 by an independent technical expert in Canada. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method.

The details in respect of status of funding and the amounts recognised in the consolidated financial statement as for the year ended 31 March 2019 and 31 March 2018 for these defined benefit schemes are as under:

Particulars	As at 31 March 2019	As at 31 March 2018
I Principal actuarial assumptions:		
Discount rate used for benefit costs	3.50%	3.60%
Discount rate used for benefit obligations	3.30%	3.50%
Inflation	2.00%	2.00%
Rate of compensation increase	3.00%	3.00%
Health Care Cost Trend Rate – Prescription Drugs	4.50% to 7.25%	4.50% to 7.75%
Health Care Cost Trend Rate – Other Medical	3.00%	3.00%
Asset valuation method	Market Value	Market Value
Mortality Table	CPM Private Sector Mortality Table with generational improvements with scale MI-2017	CPM 2014 Private Sector Mortality Table with generational improvements with scale CPM-B

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

37. Employee benefits (Contd..)

(₹ in crores)

Particulars	Pension Plans				Health care and life insurance plans	
	Contributory		SERP			
	As at 31 March		As at 31 March		As at 31 March	
	2019	2018	2019	2018	2019	2018
II Change in the defined benefit obligation						
Projected defined benefit obligation, beginning of the year	1,065.09	1,077.79	1.13	5.06	1.77	2.08
Current service cost	7.40	10.45	0.04	0.18		-
Interest cost	38.27	37.95	0.03	0.20	0.06	0.07
Benefits paid	(76.63)	(72.00)	(0.66)	-	(0.48)	(0.47)
Actuarial (gains)/ losses_Demograhic assumptions	14.79	-	-	-	-	-
Actuarial (gains)/ losses Financial assumptions	28.45	13.43	0.02	0.01	0.01	-
Experience (gain)/loss	0.86	(8.99)	0.02	(4.50)	(0.23)	-
Impact of Minimum Funding requirement	-	(35.44)	-	-		-
Effect of foreign currency rate changes*	21.55	41.90	0.04	0.18	0.06	0.09
Projected benefit obligation at the end of the year	**1,099.78**	**1,065.09**	**0.62**	**1.13**	**1.19**	**1.77**

*Translation adjustment loss/(gain) includes loss of ₹ 66.45 crores (2017-2018: loss of ₹ 4.30 crores) which has been taken to foreign currency translation reserve and loss/(gain) of ₹ (44.80) crores (2017- 2018: loss of ₹ 37.87 crores) which has been taken to Other Comprehensive Income

(₹ in crores)

Particulars	Pension Plans	
	Contributory	
	As at 31 March	
	2019	2018
III Change in Fair value of assets		
Fair value of plan assets, beginning of the year	1065.09	1,043.62
Actual return on plan assets	38.16	36.62
Contributions	8.67	16.95
Benefits paid	(76.63)	(72.00)
Actuarial gain / (loss)	0.85	2.01
Impact of asset ceiling	42.10	(2.62)
Effect of foreign currency rate changes*	21.54	40.51
Fair value of plan assets, end of the year	**1,099.78**	**1,065.09**

*Translation adjustment gain/ (loss) includes gain of ₹ 66.33 crores (2017-2018: gain of ₹ 4.45 crores) which has been taken to Foreign currency translation reserve and gain/(loss) of ₹ (44.77) crores (2017- 2018: gain of ₹ 36.06 crores) taken to Other Comprehensive Income.

Notes forming part of the Consolidated financial statements
for the year ended 31 March 2019

37. Employee benefits (Contd..)

(₹ in crores)

Particulars	Pension Plans				Health care and life insurance plans	
	Contributory		SERP			
	As at 31 March		As at 31 March		As at 31 March	
	2019	2018	2019	2018	2019	2018
IV Amount recognised in accumulated Other Comprehensive Income						
Opening Balance	(64.65)	(35.77)	(2.11)	2.17	0.86	0.78
Expenses as per table VII below	1.22	(28.88)	0.01	(4.28)	(0.29)	0.08
Closing balance	**(63.43)**	**(64.65)**	**(2.10)**	**(2.11)**	**0.57**	**0.86**

(₹ in crores)

Particulars	Pension Plans				Health care and life insurance plans	
	Contributory		SERP			
	As at 31 March		As at 31 March		As at 31 March	
	2019	2018	2019	2018	2019	2018
V Amount recognised in the consolidated balance sheet						
Present value of obligations	1,099.80	1,065.09	0.62	1.13	1.19	1.77
Fair value of plan assets	(1,099.80)	(1,065.09)		-		-
Net (asset)/ liability in the consolidated balance sheet	**-**	**-**	**0.62**	**1.13**	**1.19**	**1.77**
Non-current provisions (refer note 21 A)	-	-	0.62	1.13	1.19	1.77

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
VI Pension expenses recognized in the Consolidated Statement of Profit or Loss		
Current service cost (refer note 25)	7.44	10.63
Net interest cost (refer note 27)	0.20	1.60
Components of defined benefit costs recognised in the consolidated statement of Profit or Loss	**7.64**	**12.23**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

37. Employee benefits (Contd..)

(₹ in crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
VII Pension expenses recognised in the Other Comprehensive Income		
Net Actuarial (gains)/losses recognised_Demograhic assumptions	14.79	
Net Actuarial (gains)/losses due to financial assumptions	28.48	13.44
Experience (gain)/loss	0.65	(13.49)
Actuarial (gain)/loss on plan assets	(0.85)	(2.01)
Impact of asset ceiling	(42.10)	2.62
Impact of minimum funding requirements	-	(35.44)
Effect of Foreign exchange rate changes (Net)	(0.03)	1.80
Expense recognized in the Other Comprehensive Income	**0.94**	**(33.08)**

Particulars	As at 31 March 2019	As at 31 March 2018
VIII Categories of plan assets as a percentage of total plan assets		
Global Equities	7.00%	8.00%
Canadian Equities	-	-
International Equities	-	-
US Equities	-	-
Long Term bonds	-	-
Real Return bonds	92.00%	89.00%
Overall universe bonds	-	-
Money market securities	1.00%	3.00%
Total	**100%**	**100%**

IX A quantitative sensitivity analysis for significant assumption as at 31 March 2019 and 31 March 2018 is as shown below: (As per actuarial valuation report). The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate		
Increase of 1%	(126.97)	(137.58)
Decrease of 1%	156.65	138.57
Inflation rate		
Increase of 1%	142.15	133.01
Decrease of 1%	(117.38)	(122.10)
Future salary increases		
Increase of 1%	6.46	10.79
Decrease of 1%	(6.00)	(9.98)
Post retirement Mortality		
Increase (1 year)	25.77	24.97
Decrease (1 year)	(24.81)	(24.04)
Medical Trend rate		
Increase of 1%	0.02	0.04
Decrease of 1%	(0.02)	(0.04)

Notes forming part of the Consolidated financial statements

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37. Employee benefits (Contd..)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Group expects to contribute ₹ 13.40 crores (31 March 2018: ₹ 28.78) to its defined benefit plans in financial year 2019-20.

(₹ in crores)

Particulars	As at 31 March 2019
X Maturity profile	
Expected benefit payments for the year ending	
31 March 2020	55.09
31 March 2021	54.53
31 March 2022	54.50
31 March 2023	53.94
31 March 2024	53.92
31 March 2025 to 31 March 2029	258.60
Total	**530.58**

iii. Leave plan and Compensated absences

The liability for compensated absences as at the year end is ₹ 45.73 crores (31 March 2018: ₹ 45.45 crores) as shown under current provisions. The amount charged to the Consolidated Statement of Profit and Loss under salaries and related costs in note 25 "Employee benefits" is ₹ 9.22 crores (2017-2018: ₹ 8.83 crores).

38. Earnings per share

(₹ in crores)

	Year ended 31 March 2019	Year ended 31 March 2018
a. Basic and diluted EPS		
Net (loss) for the year attributable to the equity shareholders (in ₹ crore) (A)	(82.37)	(328.60)
Weighted average number of equity shares outstanding during the year (Nos) (B)	285,000,000	285,000,000
Basic and diluted earnings per share (₹) (A/B)	(2.89)	(11.53)
Face value per share (₹)	10.00	10.00

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

39. Segment reporting

i. Business segments

The Board of Directors and the Managing Director of the Company together as a Group constitute the "Chief Operating Decision Makers" (CODM) and allocate resources to and assess the performance of the segments of the Group.

The Group has identified the following operating segments based on the organizational structure and for which discrete financial information including segment results is available:

a. Voice Solutions (VS) includes International and National Long-Distance Voice services.

b. Data and Managed Services (DMS) include data transmission services, signaling, roaming services, television and other network and managed services.

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

d. Real Estate segment includes lease rentals for premises given on lease and does not include premises held for capital appreciation

(₹ in crores)

Particulars	For the year ended 31 March 2019					
	VS	DMS	PS	Real Estate	Intersegment	Total
a. Segment revenues and results						
Revenue from services	3,870.31	12,172.02	357.08	151.84	(26.30)	16,524.95
Intersegment revenue	-	(5.17)	-	(21.13)	26.30	-
Segment results	298.29	416.77	(105.14)	69.16	-	679.08
Finance cost						396.55
Unallocable income (net)						(60.67)
Profit from operations before tax and share of profit of associate						**343.20**
Tax expense (net)						273.32
Net Loss for the year before share in profit of associates						**69.88**
Share in profit of associates (net)						(150.31)
Net Profit from total operation						**(80.43)**
b. Segment assets and liabilities						
Segment assets	655.34	14,044.34	369.69	380.85	-	15,450.22
Unallocable assets						4,562.54
Total assets						**20,012.76**
Segment liabilities	(753.73)	(8,623.61)	(134.02)	(131.20)	-	(9,642.56)
Unallocable liabilities						(10,546.25)
Total liabilities						**(20,188.81)**
c. Other segment information						
Non-cash expenses	2.75	88.16	9.11	0.01		100.03
Capital expenditure (allocable)	31.81	1,889.63	22.35	8.97	-	1,952.76
Depreciation and amortisation (allocable)	37.59	1,911.31	114.20	4.50	-	2,067.60

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

39. Segment reporting (Contd..)

(₹ in crores)

Particulars	For the year ended 31 March 2018					
	VS	DMS	PS	Real Estate	Intersegment	Total
a. Segment revenues and results						
Revenue from services	5,311.34	10,963.26	382.92	140.57	(26.40)	16,771.69
Intersegment revenue	-	(6.68)	-	(19.72)	26.40	-
Segment results	298.30	293.46	(164.50)	62.45	-	489.71
Finance cost						344.45
Unallocable income (net)						99.65
Profit from operations before tax and share of profit of associate						**45.61**
Tax expense (net)						354.92
Net Loss for the year before share in profit of associates						**(309.31)**
Share in profit of associates (net)						(16.30)
Net Profit from total operation						**(325.61)**
b. Segment assets and liabilities						
Segment assets	550.22	13,516.91	507.13	301.94	-	14,876.20
Unallocable assets						4,726.56
Total assets						**19,602.76**
Segment liabilities	(951.29)	(8,129.04)	(163.34)	(30.08)	-	(9,273.75)
Unallocable liabilities						(9,825.21)
Total liabilities						**(19,098.96)**
c. Other segment information						
Non-cash expenses	20.97	77.76	6.64		-	105.37
Capital expenditure (allocable)	34.86	1,737.50	31.52	4.9	-	1,808.85
Depreciation and amortisation (allocable)	48.24	1,708.50	145.38	4.16	-	1,906.30

i. Revenues and network and transmission costs are directly attributable to the segments. Network and transmission costs are allocated based on utilization of network capacity. License fees for VS and DMS have been allocated based on adjusted gross revenues from these services.

ii. Depreciation and certain other costs have been allocated to the 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 have been allocated to segments on similar basis of related revenue and expense.

iv. Intersegment sales revenues are generally made at values that approximate arm's length prices.

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39. Segment reporting (Contd..)

ii. Geographical information

The Group's revenue from continuing operations from external customers by location of operation and information about its Non-current assets by location of assets are detailed below:

(₹ in crores)

Particulars	Revenue		Non-current assets*		Capital expenditure	
	Year ended		As at		for the Year ended	
	March 2019	March 2018	March 2019	March 2018	March 2019	March 2018
India	6,012.97	5,700.16	5,140.25	4,908.56	1,385.57	1,043.77
United States of America	2,817.77	2,743.17	959.03	1,011.60	156.36	200.10
United Kingdom	1,199.01	1,361.69	456.06	429.28	102.96	117.73
Bermuda	153.67	130.95	3,328.35	3,373.04	33.31	162.01
South Africa	111.22	119.38	-	-	-	-
Singapore	782.51	770.12	384.71	400.28	69.46	87.91
Others	5,447.80	5,946.22	1,296.05	1,194.09	205.10	197.33
Total	**16,524.95**	**16,771.69**	**11,564.45**	**11,316.85**	**1,952.76**	**1,808.85**

*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.

Non-current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, goodwill, other intangible assets and intangible assets under development.

The Group does not earn revenues from any single customer exceeding 10% of the of the Group's total revenue.

iii. Revenue from major services in the Group's Continuing Operations:

a. Revenue from major services in Voice services

(₹ in crores)

	Year ended 31 March 2019	Year ended 31 March 2018
International Long Distance (ILD)	3,797.78	5,184.80
National Long Distance (NLD)	72.53	126.54
Total	**3,870.31**	**5,311.34**

b. Revenue from major services in Data and Managed Services

(₹ in crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Global Virtual Private Network (GVPN)	2,114.32	2,012.92
Internet connectivity	2,151.24	2,008.97
Ethernet	1,183.20	1,134.21
Unified Communications and Collaboration (UCC)	1,313.61	1,216.45
IPL Lease	983.29	882.49
Others	4,421.19	3,701.54
Total	**12,166.85**	**10,956.58**

Notes forming part of the Consolidated financial statements

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40. Particulars of subsidiaries and associates considered in the preparation of the consolidated financial statements:

	Principal Activity	Country of Incorporation	As at 31 March 2019	As at 31 March 2018
a. Subsidiaries (held directly)				
Tata Communications Transformation Services Limited	Telecommunication services	India	100.00	100.00
Tata Communications Collaboration Services Private Limited	Telecommunication services	India	100.00	100.00
Tata Communications Payment Solutions Limited	Infrastructure managed service of banking sector	India	100.00	100.00
Tata Communications Lanka Limited	Telecommunication services	Sri Lanka	90.00	90.00
Tata Communications International Pte. Limited	Telecommunication services	Singapore	100.00	100.00
b. Subsidiaries (held indirectly)				
Tata Communications (Bermuda) Limited	Telecommunication services	Bermuda	100.00	100.00
Tata Communications (Netherlands) BV	Telecommunication services	Netherlands	100.00	100.00
Tata Communications (Hong Kong) Limited	Telecommunication services	Hong Kong	100.00	100.00
ITXC IP Holdings S.A.R.L.	Telecommunication services	Luxembourg	100.00	100.00
Tata Communications (America) Inc.	Telecommunication services	United States of America	100.00	100.00
Tata Communications Services (International) Pte Limited	Telecommunication services	Singapore	100.00	100.00
Tata Communications (Canada) Limited	Telecommunication services	Canada	100.00	100.00
Tata Communications (Belgium) S.P.R.L.	Telecommunication services	Belgium	100.00	100.00
Tata Communications (Italy) SRL	Telecommunication services	Italy	100.00	100.00
Tata Communications (Portugal) Unipessoal LDA	Telecommunication services	Portugal	100.00	100.00
Tata Communications (France) SAS	Telecommunication services	France	100.00	100.00
Tata Communications (Nordic) AS	Telecommunication services	Norway	100.00	100.00
Tata Communications (Guam) L.L.C.	Telecommunication services	Guam	100.00	100.00
Tata Communications (Portugal) Instalacao E Manutencao De Redes LDA	Telecommunication services	Portugal	100.00	100.00
Tata Communications (Australia) Pty Limited	Telecommunication services	Australia	100.00	100.00
Tata Communications Services (Bermuda) Limited	Telecommunication services	Bermuda	100.00	100.00

Notes forming part of the Consolidated financial statements

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40. Particulars of subsidiaries and associates considered in the preparation of the consolidated financial statements: (Contd..)

	Principal Activity	Country of Incorporation	As at 31 March 2019	As at 31 March 2018
Tata Communications (Poland) SP.Z.O.O	Telecommunication services	Poland	100.00	100.00
Tata Communications (Japan) K.K.	Telecommunication services	Japan	100.00	100.00
Tata Communications (UK) Limited	Telecommunication services	United Kingdom	100.00	100.00
Tata Communications Deutschland GMBH	Telecommunication services	Germany	100.00	100.00
Tata Communications (Middle East) FZ-LLC	Telecommunication services	United Arab Emirates	100.00	100.00
Tata Communications (Hungary) LLC	Telecommunication services	Hungary	100.00	100.00
Tata Communications (Ireland) DAC	Telecommunication services	Ireland	100.00	100.00
Tata Communications (Russia) LLC	Telecommunication services	Russia	99.90	99.90
Tata Communications (Switzerland) GmbH	Telecommunication services	Switzerland	100.00	100.00
Tata Communications (Sweden) AB	Telecommunication services	Sweden	100.00	100.00
TCPOP Communication GmbH	Telecommuniation services	Austria	100.00	100.00
Tata Communications (Taiwan) Limited	Telecommunication services	Taiwan	100.00	100.00
Tata Communications (Thailand) Limited	Telecommunication services	Thailand	100.00	100.00
Tata Communications (Malaysia) Sdn. Bhd.	Telecommunication services	Malaysia	100.00	100.00
Tata Communications (New Zealand) Limited	Telecommunication services	New Zealand	100.00	100.00
Tata Communications (Spain) S.L	Telecommunication services	Spain	100.00	100.00
Tata Communications (Beijing) Technology Limited	Telecommunication services	China	100.00	100.00
SEPCO Communications (Pty) Limited (SEPCO)	Telecommunication services	South Africa	73.17	73.17
VSNL SNOSPV Pte. Limited (SNOSPV)	Telecommunication services	Singapore	100.00	100.00
Tata Communications (South Korea) Limited	Telecommunication services	South Korea	100.00	100.00
Tata Communications Transformation Services (Hungary) Kft.	Telecommunication services	Hungary	100.00	100.00
Tata Communications Transformation Services Pte Limited	Telecommunication services	Singapore	100.00	100.00
Tata Communications Comunicações E Multimídia (Brazil) Limitada	Telecommunication services	Brazil	100.00	100.00

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40. Particulars of subsidiaries and associates considered in the preparation of the consolidated financial statements: (Contd..)

	Principal Activity	Country of Incorporation	As at 31 March 2019	As at 31 March 2018
Tata Communications Transformation Services South Africa (Pty) Ltd	Telecommunication services	South Africa	100.00	100.00
Tata Communications Transformation Services (Us) Inc	Telecommunication services	United States Of America	100.00	100.00
Nexus Connexion (SA) Pty Limited	Telecommunication services	South Africa	100.00	100.00
Tata Communications (Brazil) Participacoes Limitada	Telecommunication services	Brazil	100.00	100.00
Tata Communications MOVE B.V.(Earlier known as Teleena Holding B.V.) (w.e.f. 2nd October,2018)	Telecommunication services	Netherlands	100.00	-
Tata Communications MOVE Nederland B.V. (Earlier known as Teleena Nederland B.V.) (w.e.f. 2nd October,2018)	Telecommunication services	Netherlands	100.00	-
Tata Communications MOVE UK Limited (Earlier known as Teleena UK Limited) (w.e.f. 2nd October,2018)	Telecommunication services	United Kingdom	100.00	-
Tata Communications MOVE Singapore Pte. Ltd. (Earlier known as Teleena Singapore Pte. Ltd.) (w.e.f. 2nd October,2018)	Telecommunication services	Singapore	100.00	-
MuCoso B.V. (w.e.f. 2nd October,2018)	Telecommunication services	Netherlands	100.00	-
NetFoundry Inc. (w.e.f. 21st February,2019)	Telecommunication services	United States Of America	100.00	-
Associates				
United Telecom Limited	Telecommunication services	Nepal	26.66	26.66
STT Global Data Centres India Pvt Ltd.	Data Centre Colocation services	India	26.00	26.00
Smart ICT Services Private Limited	Telecommunication services	India	24.00	24.00
STT Tai Seng Pte Limited	Data Centre Colocation services	Singapore	26.00	26.00
Teleena Holding B.V. (up to 1st October,2018)	Telecommunication services	Netherlands	-	35.36

* Direct and indirect interest

41. Derivatives

Derivatives are not designated as hedging instruments:

The Group uses foreign currency forward contracts to manage some of its transaction exposures. The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 1 year. However, Cross Currency Swaps and Coupon

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

41. Derivatives (Contd..)

Only Swap contracts are entered for the residual maturity ranging from 1 to 2 years. These hedges are also not designated as Cash flow hedge.

i. Outstanding forward contracts

a. As on 31 March 2019

Particulars	Deal Currency	Amount (Deal Currency in Millions)	Buy/Sell	Amount (₹ in crores)	Fair value Gain/(Loss) (₹ in crores)
Forward Exchange Contracts (net)					
USD/INR	USD	115.29	Buy	840.29	(33.83)
GBP/INR	GBP	0.90	Buy	8.62	(0.45)
USD/INR	USD	2.36	Sell	16.75	0.30
CAD/INR	CAD	1.13	Sell	5.97	0.09
EUR/INR	EUR	0.35	Sell	2.82	0.07
GBP/INR	GBP	3.21	Sell	30.03	0.85
ZAR/INR	ZAR	7.13	Sell	3.39	(0.01)
JPY/USD	JPY	130.00	Sell	8.36	0.32
AUD/USD	AUD	4.00	Sell	19.86	0.22
EUR/USD	EUR	15.00	Sell	119.52	2.24
GBP/USD	GBP	5.60	Sell	50.47	(0.25)
CAD/USD	CAD	1.50	Sell	7.85	0.14
SGD/USD	SGD	10.20	Sell	52.22	0.40

b. As on 31 March 2018

Particulars	Deal Currency	Amount (Deal Currency in Millions)	Buy/Sell	Amount (₹ in crores)	Fair value Gain/(Loss) (₹ in crores)
Forward Exchange Contracts (net)					
USD/INR	USD	68.02	Buy	449.10	1.85
GBP/INR	GBP	1.40	Buy	12.42	0.41
CAD/INR	CAD	2.59	Sell	13.15	0.04
EUR/INR	EUR	0.61	Sell	4.92	0.01
GBP/INR	GBP	4.63	Sell	42.91	(0.04)
ZAR/INR	ZAR	36.99	Sell	19.90	(0.45)
JPY/USD	JPY	195.00	Buy	11.91	(0.14)
AUD/USD	AUD	2.70	Sell	13.49	0.35
EUR/USD	EUR	9.50	Sell	76.21	0.40
GBP/USD	GBP	2.50	Sell	22.91	0.10
SGD/USD	SGD	1.05	Sell	5.22	0.01

Notes forming part of the Consolidated financial statements

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41. Derivatives (Contd..)

ii. Derivatives designated as hedging instruments

(₹ in crores)

As at	Type of Hedge	No. of contracts	Notional amount Asset/ (Liability)	Fair value of Asset/ (Liability)
31 March 2019	Interest Rate swap	15	(4,227.13)	(4.30)
31 March 2018	Interest Rate swap	11	(2,941.83)	27.45

Risk Category

Hedging activities: Derivatives may qualify as hedges for accounting purposes if they meet the criteria for designation as fair value hedges or cash flow hedges in accordance with Ind AS 109.

Cash flow hedges: - Instruments designated in a cash flow hedge include interest rate swaps hedging the variable interest rates primarily related to US$LIBOR.

All cash flow hedges were effective in the period.

Reclassification of OCI balance

The Group carries the changes in fair value of the swap in Other Comprehensive Income until the interest expense is recognized. The portion of fair value change pertaining to the interest expense being recognized is recycled to the profit and loss account in the accounting period in which the interest expense is being recognized.

The figures shown in the tables above take into account interest rate swaps used to manage the interest rate profile of financial liabilities. Interest on floating rate borrowings is generally based on USD LIBOR equivalents.

Movement of cash flow hedging reserve

(₹ in crores)

Cash Flow hedging reserve	Amount
As at 1 April 2017	**(2.94)**
Changes in fair value of Interest rate swaps	33.05
Amount reclassified to profit or loss	(0.79)
Tax impact	(8.26)
Share in net unrealised (gain)/loss on cash flow hedges in associates	0.18
As at 31 March 2018	**21.24**
Changes in fair value of Interest rate swaps	(34.95)
Amount reclassified to profit or loss	1.15
Tax impact	8.45
Share in net unrealised (gain)/loss on cash flow hedges in associates	(0.23)
As at 31 March 2019 (refer note 16)	**(4.34)**

42. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(x) to the financial statements.

Notes forming part of the Consolidated financial statements

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42. Financial instruments (Contd..)

i. Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2019 is as follows:

(₹ in crores)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Trade receivables	-	-	2,968.45	**2,968.45**
Cash and cash equivalent	-	-	789.06	**789.06**
Other bank balances	-	-	63.02	**63.02**
Advances to related parties	-	-	51.50	**51.50**
Other financial assets	-	-	177.03	**177.03**
Investments (non-current)	-	155.77		**155.77**
Investment in mutual funds	595.98	-	-	**595.98**
Forward contract not designated in hedge accounting relationship	3.98	-	-	**3.98**
Interest rate swaps designated in hedge accounting relationships	-	6.23	-	**6.23**
Total	**599.96**	**162.00**	**4,049.06**	**4,811.02**
Financial liabilities				
Borrowing	-	-	9,934.94	**9,934.94**
Trade payable	-	-	3,688.52	**3,688.52**
Creditors for capital goods	-	-	495.70	**495.70**
Other financial liabilities	-	-	209.29	**209.29**
Forward contract not designated in hedge accounting relationship	33.89	-		**33.89**
Interest rate swaps designated as hedge accounting relationships	-	10.53		**10.53**
Total	**33.89**	**10.53**	**14,328.45**	**14,372.87**

The carrying value of financial instruments by categories as at 31 March 2018 is as follows:

(₹ in crores)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Trade receivables	-	-	2,953.47	2,953.47
Cash and cash equivalent	-	-	1,256.38	1,256.38
Other bank balances	-	-	39.20	39.20
Loans	-	-	-	-
Advance for litigation	-	-	-	-
Advances to related parties	-	-	132.75	132.75
Other financial assets	-	-	115.95	115.95
Investments (non-current)	-	165.66	-	165.66

Notes forming part of the Consolidated financial statements
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42. Financial instruments (Contd..)

(₹ in crores)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Investment in mutual funds	186.68	-	-	186.68
Forward contract not designated in hedge accounting relationship	2.98	-	-	2.98
Interest rate swaps designated as hedge accounting relationships	-	27.45	-	27.45
Total	**189.66**	**193.11**	**4,497.75**	**4,880.52**
Financial liabilities				
Borrowing	-	-	8,926.97	8,926.97
Trade payable	-	-	3,471.57	3,471.57
Creditors for capital goods	-	-	400.46	400.46
Other financial liabilities	-	-	211.65	211.65
Forward contract not designated in hedge accounting relationship	0.44	-	-	0.44
Interest rate swaps designated as hedge accounting relationships	-	-	-	-
Total	**0.44**	**-**	**13,010.65**	**13,011.09**

Carrying amount of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2019 and 31 March 2018 approximate the fair value because of their short-term nature. Difference between carrying amount and fair value of other bank balances, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

ii. Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in crores)

Financial assets / Financial liabilities	Fair value as at		Fair value hierarchy
	31 March 2019	31 March 2018	
Financial assets			
Investment in mutual funds	595.98	186.68	Level 1
Investment in preference shares of Sentient Technologies Holdings Limited	0.46	32.28	Level 3
Investment in equity shares of Sentient Technologies Holdings Limited	-	4.92	Level 3
Investments in Northgate Telecom Innovation Partners L.P.	136.16	115.23	Level 3
Other investments in equity shares	19.15	13.23	Level 3
Interest rate swaps designated as hedge accounting relationships	6.23	27.45	Level 2
Foreign currency forward contract not designated as hedge accounting relationships	3.98	2.98	Level 2
Financial liabilities			
Interest rate swaps designated as hedge accounting relationships	10.53	-	Level 2
Foreign currency forward contract not designated as hedge accounting relationships	33.89	0.44	Level 2

The investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.

Notes forming part of the Consolidated financial statements

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42. Financial instruments (Contd..)

iii. The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

(₹ in crores)

Particulars	Tata Teleservices Limited	Sentient Technologies Holdings Limited – Preference shares	Sentient Technologies Holdings Limited – Equity shares	Northgate Telecom Innovation Partners L.P	Other Investments	Advance for Litigation
Balance as at 31st March 2017	**515.53**	**129.81**	**-**	**87.55**	**6.67**	**185.99**
Additions during the year	-	24.56	-	26.07	7.34	-
Add/(Less): Fair value through profit or loss	-	-	-	-	-	(185.99)
Add/(Less): Fair value through other comprehensive income	(515.53)	7.64	(124.08)	1.25	(0.76)	-
Add/(Less): Conversion of preference shares in to equity shares	-	(130.33)	130.33	-	-	-
Add/(Less): foreign currency translation adjustments	-	0.60	(1.33)	0.36	(0.02)	-
Balance as at 31st March 2018	**-**	**32.28**	**4.92**	**115.23**	**13.23**	**-**
Additions during the year	-	-	-	18.69	6.07	-
Add/(Less): Fair value through profit or loss	-	-	-	-	-	-
Add/(Less): Fair value through other comprehensive income	-	(34.16)	(5.27)	(4.96)	(0.61)	-
Add/(Less): Conversion of preference shares in to equity shares	-	-	-	-	-	-
Add/(Less): foreign currency translation adjustments	-	2.34	0.35	7.20	0.46	-
Balance as at 31st March 2019	**-**	**0.46**	**-**	**136.16**	**19.15**	**-**

Except as detailed in the above table, the Group considered that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

43. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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43. Financial risk management objectives and policies (Contd..)

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL & FVTOCI investments and derivative financial instruments.

i) Interest rate risk

Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group generally uses generic derivative products (eg. Interest Rate Swap, Coupon Swap, Interest rate Options etc) to cover interest rate risk on variable rate long term debt obligations. The Group may also enter into structured derivative products unless prohibited by the applicable statute(s).

The Group enters into interest rate derivatives, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2019, after taking into account the effect of interest rate derivatives, approximately 60 % of the Group's borrowings are at a fixed rate of interest (31 March 2018: 46%).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in crores)

	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-19	100	30.39
31-Mar-18	100	38.24

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign currency rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group's objective is to try and protect the underlying values of the functional currency of respective Group company's balance sheet exposures. All exposures in currency other than functional currency are treated as 'Forex Exposures' irrespective of the Group company from where the exposures originate. Exposures are broadly categorized into receivables and payable exposures.

The Group manages its foreign currency risk by entering into derivatives on Net Exposures, i.e. netting off the receivable and payable exposures in order to take full benefit of Natural Hedge.

Notes forming part of the Consolidated financial statements

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43. Financial risk management objectives and policies (Contd..)

Non-crystalized (not in books) exposures for which cash flows are highly probable are considered for hedging after due consideration of cost of cover, impact of such derivatives on Income statement due to mark to market loss or gains, market / industry practices, Regulatory restrictions etc.

As regards net investments in foreign operations, hedging decisions are guided by regulatory requirement, accounting practices and in consultation & approval of Senior Management on such hedging action.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the respective Group entity.

The following analysis has been worked out based on the net exposures of the respective Group entity as of the date of balance sheet which would affect the Consolidated Statement of Profit and Loss and equity.

The following tables sets forth information relating to foreign currency exposure (net) as at 31 March 2019 and 31 March 2018

(₹ in crores)

Currency	As at 31 March 2019		As at 31 March 2018	
	Financial liabilities	Financial assets	Financial liabilities	Financial assets
USD	254.74	6.64	150.24	50.50
GBP	113.36	9.62	0.28	315.77
HKD	41.50	-	41.31	-
CAD	25.90	16.22	1,141.21	12.97
SGD	15.13	-	0.07	31.20
AED	8.53	0.04	12.77	0.01
SDR	1.59	-	178.44	-
EUR	1.52	14.17	0.69	370.98
Others	38.07	76.86	10.38	167.68

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the respective Group entity would result in decrease/ increase in the Group's profit before tax by approximately ₹ 18.84 crores and ₹ 29.54 crores for the year ended 31 March 2019 and 31 March 2018 respectively.

iii) Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment in securities.

At the reporting date, the exposure to unlisted securities at fair value was ₹ 155.77 crores as on 31 March 2019 (31 March 2018: ₹ 165.66 crores).

b) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and from its financing activities including deposits with banks and financial institutions, foreign currency transactions and other financial instruments.

The Group uses a practical expedient in computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes in to consideration the historical credit loss experience and the adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due.

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43. Financial risk management objectives and policies (Contd..)

Ageing of receivables

(₹ in crores)

	As at 31 March 2019	As at 31 March 2018
Within Credit period	1,636.24	1,052.34
0-90 days	815.55	1,035.01
91-180 days	219.49	356.84
181-360 days	198.43	217.70
>360 days	98.74	291.58
Total	**2,968.45**	**2,953.47**

Movement in expected credit loss allowance

(₹ in crores)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance	399.54	345.46
Adjustment for Acquisition (Teleena)	2.62	-
Movement in expected credit loss allowance on trade receivables circulated at lifetime expected credit losses for Continuing Operations	81.79	53.41
Derecognition of assets on account of disposal of subsidiaries	-	-
Impact of foreign exchange translation	8.27	0.67
Balance at the end of the year	**492.22**	**399.54**

c) **Liquidity risk**

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts.

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group corporate treasury department is responsible for maintaining funding limits to ensure liquidity.

The table below summarizes the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

(₹ in crores)

As at 31 March 2019	On demand	Upto 12 months	1 to 5 years	> 5 years	Total
Borrowings	787.31	1,583.28	6,820.00		**9,190.59**
Derivatives at FVTPL	-	33.89	-	-	**33.89**
Derivatives at FVTOCI	-	-	10.53	-	**10.53**
Trade Payable	2,022.39	1,666.13	-	-	**3,688.52**
Other financial liability	420.11	1,062.70	6.12	4.58	**1,493.51**
Total	**3,229.81**	**4,346.00**	**6,836.65**	**4.58**	**14,417.04**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

43. Financial risk management objectives and policies (Contd..)

(₹ in crores)

As at 31 March 2018	On demand	Upto 12 months	1 to 5 years	> 5 years	Total
Borrowings	679.98	2,348.68	5,951.30	-	**8,979.96**
Derivatives at FVTPL	-	0.44	-	-	**0.44**
Derivatives at FVTOCI	-	-	-	-	**-**
Trade Payable	1,422.10	2,049.47	-	-	**3,471.57**
Other financial liability	387.52	208.84	11.16	4.59	**612.11**
Total	**2,489.60**	**4,607.43**	**5,962.46**	**4.59**	**13,064.08**

44. Capital Management

The objective of the Group's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The Group is not subject to any externally imposed capital requirements.

45. Related party transactions

i. Names of related parties and nature of relationship

Sr. No	Category of related parties	Names
a.	Controlling Entities	Tata Sons Private Limited (investing party upto 27 May 2018 and controlling entity w.e.f 28 May 2018)
		Panatone Finvest Limited (investing party upto 27 May 2018 and controlling entity w.e.f 28 May 2018)
b.	Subsidiaries, Associates and joint ventures of controlling entities and their subsidiaries * ("Affiliates") (Refer notes below)	AirAsia (India) Limited
		APTOnline Limited (formerly APOnline Limited)
		Arvind and Smart Value Homes LLP
		ATC Infrastructure Services Private Limited (w.e.f. 31.05.2018) (formerly ATC Infrastructure Services Limited)
		ATC Telecom Infrastructure Private Limited (formerly Viom Networks Limited)
		Automotive Stampings and Assemblies Limited
		Benares Hotels Limited
		Calsea Footwear Private Limited
		C-Edge Technologies Limited
		CMC Americas Inc.
		Coastal Gujarat Power Limited
		Concorde Motors (India) Limited
		Conneqt Business Solutions Limited (formerly Tata Business Support Services Limited) (Ceased to be a subsidiary and is an associate w.e.f. 27.11.2017)
		Diligenta Limited
		Ecofirst Services Limited
		Fiora Business Support Services Limited (formerly known as Westland Limited)
		Fiora Hypermarket Limited
		Fiora Services Limited

Notes forming part of the Consolidated financial statements
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45. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		HL Promoters Private Limited
		Indian Rotorcraft Limited
		Indian Steel & Wire Products Ltd.
		Inditravel Limited
		Industrial Energy Limited
		Infiniti Retail Limited
		Jaguar Land Rover Limited
		Jamshedpur Utilities & Services Company Limited
		Kolkata-One Excelton Private Limited
		Kriday Realty Private Limited
		Lokmanaya Hospital Private Limited
		MahaOnline Limited
		Maithon Power Limited
		MGDC S.C.
		Move On Componentes E Calcado, S.A.
		MP Online Limited
		Nelco Limited
		Nova Integrated Systems Limited
		Pamodzi Hotels Plc
		Piem Hotels Limited
		Powerlinks Transmission Limited
		Princeton Infrastructure Private Limited (ceased to be a joint venture and is a subsidiary w.e.f. 15.03.2019)
		Promont Hilltop Private Limited
		Rallis India Limited
		Roots Corporation Limited
		Sai Life Science Limited (ceased w.e.f. 25.07.2018)
		Sector 113 Gatevida Developers Private Limited (formerly Lemon Tree Land & Developers Private Limited)
		Shriji Polymers (India) Limited
		Sir Dorabji Tata Trust
		Sir Ratan Tata Trust
		Smart ICT Services Private Limited (w.e.f. 28.05.2018)
		Smart Value Homes (Boisar) Private Limited (formerly Niyati Sales Private Limited)
		Star Health & Allied Insurance Company Limited (ceased w.e.f. 28.03.2019)
		STT Global Data Centres India Private Limited (formerly Tata Communications Data Centers Private Limited) (w.e.f. 28.05.2018)
		STT Tai Seng Pte Limited (w.e.f. 28.05.2018)
		T S Alloys Limited
		T S Global Procurement Company Pte. Ltd.
		T.V.Sundram Iyengar & Sons Pvt. Ltd.
		TACO Sasken Automotive Electronics Limited (excluded from consolidation by TACO from 01.10.2010) (under liquidation w.e.f. 30.09.2010)
		TAL Manufacturing Solutions Limited (w.e.f. 29.03.2019)
		TASEC Limited (formerly TAS-AGT Systems Limited)
		Tata Advanced Materials Limited (ceased to be a subsidiary w.e.f. 27.03.2019)
		Tata Advanced Materials Limited (w.e.f. 27.03.2019)
		Tata Advanced Systems Limited

Notes forming part of the Consolidated financial statements

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45. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		TATA Africa Holdings (Kenya) Limited
		Tata Africa Holdings (SA) (Proprietary) Limited
		Tata Africa Services (Nigeria) Limited
		Tata AIA Life Insurance Company Limited
		Tata AIG General Insurance Company Limited
		Tata America International Corporation
		Tata Asset Management Limited
		Tata AutoComp GY Batteries Private Limited (formerly Tata AutoComp GY Batteries Limited)
		Tata Autocomp Hendrickson Suspensions Private Limited (formerly Taco Hendrickson Suspensions Private Limited)
		Tata Autocomp Katcon Exhaust Systems Private Limited (formerly Katcon India Private Limited)
		Tata Autocomp Systems Limited
		Tata Boeing Aerospace Limited (formerly Tata Aerospace Limited)
		Tata Capital Financial Services Limited
		Tata Capital Housing Finance Limited
		Tata Chemicals Europe Limited
		Tata Chemicals Limited
		Tata Chemicals Magadi Limited
		Tata Coffee Ltd.
		Tata Communications MOVE Nederland B.V. (formerly Teleena Nederland B.V.) (w.e.f. 02.10.2018)
		Tata Consultancy Services (Africa) (PTY) Ltd.
		Tata Consultancy Services (South Africa) (PTY) Ltd.
		Tata Consultancy Services Asia Pacific Pte Ltd.
		Tata Consultancy Services Belgium (formerly Tata Consultancy Services Belgium S.A.)
		Tata Consultancy Services Canada Inc.
		Tata Consultancy Services Limited
		Tata Consultancy Services Malaysia Sdn Bhd
		TATA CONSULTANCY SERVICES NETHERLANDS BV
		Tata Consultancy Services Switzerland Ltd.
		Tata Consulting Engineers Limited
		Tata Elxsi Limited
		Tata Ficosa Automotive Systems Private Limited (Tata Ficosa Automotive Systems Limited)
		Tata Global Beverages GB Ltd.
		Tata Global Beverages Limited
		TATA HOLDINGS MOCAMBIQUE LIMITADA
		Tata Housing Development Company Limited
		Tata Industries Limited (ceased to be subsidiary and became a joint venture w.e.f. 27.03.2019)
		Tata Interactive Systems GmbH (ceased w.e.f. 02.07.2018)
		Tata International Limited
		Tata International Metals (Americas) Limited (formerly Tata Steel International (North America) Limited)
		Tata International Singapore Pte Limited

Notes forming part of the Consolidated financial statements

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45. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Internet Services Limited (Amalgamated with Tata Teleservices Limited pursuant to the order dated 24.04.2017 of the Hon'ble High Court of Judicature at New Delhi. Effective Date: 04.05.2017. Appointed Date: 01.01.2015)
		Tata limited
		Tata Marcopolo Motors Limited
		Tata Metaliks Ltd.
		Tata Motors European Technical Centre PLC
		Tata Motors Finance Limited (formerly Sheba Properties Limited)
		Tata Motors Insurance Broking and Advisory Services Limited
		Tata Motors Limited
		Tata Power Delhi Distribution Limited
		Tata Power Solar Systems Limited
		Tata Power Trading Company Limited
		Tata Projects Limited
		Tata Realty and Infrastructure Limited
		Tata Securities Limited
		Tata SIA Airlines Limited
		Tata Sikorsky Aerospace Limited (formerly Tata Aerospace Systems Limited)
		Tata Sky Broadband Private Limited (formerly Quickest Broadband Private Limited)
		Tata Sky Limited
		Tata South-East Asia Limited
		Tata Sponge Iron Limited
		Tata Steel BSL Limited (formerly Bhushan Steel Limited)
		Tata Steel Limited
		Tata Steel Minerals Canada Limited
		Tata Steel Processing and Distribution Limited
		Tata Steel Special Economic Zone Limited
		Tata Steel UK Limited
		Tata Technologies Inc.
		Tata Technologies Europe Limited
		Tata Technologies Limited
		Tata Technologies Pte. Limited
		Tata Teleservices (Maharashtra) Limited (Ceased to be a jont venture and became a subsidiary w.e.f. 31.10.2017)
		Tata Teleservices Limited (Ceased to be a joint venture and became a subsidiary w.e.f. 31.10.2017)
		Tata Toyo Radiator Limited (ceased to be a joint venture and became a subsidiary w.e.f. 01.07.2018)
		Tata Toyo Radiator Limited (ceased to be a joint venture and became a subsidiary w.e.f. 01.07.2018)
		TATA UGANDA LIMITED
		Tata Unistore Limited (formerly Tata Industrial Services Limited) (Ceased to be a subsidiary and became a joint venture w. e. f. 29.03.2018)
		Tata Unistore Limited (formerly Tata Industrial Services Limited) (Ceased to be a subsidiary and became a joint venture w. e. f. 29.03.2018) (ceased w.e.f. 27.03.2019)

Notes forming part of the Consolidated financial statements
for the year ended 31 March 2019

45. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Value Homes Limited (formerly Smart Value Homes Limited)
		TATA ZAMBIA LIMITED
		Tatanet Services Ltd.
		TCS e-Serve America, Inc.
		TCS e-Serve International Limited
		TCS Financial Solutions Australia Pty Limited
		TCS Italia SRL
		TEMA India Private Limited
		The Indian Hotels Company Limited
		The Tata Power Company Limited
		The Tinplate Company of India Limited
		Titan Company Limited
		TM Automotive Seating Systems Private Limited
		TP Ajmer Distribution Limited
		Trent Limited
		TRIL Amritsar Projects Limited (formerly TRIF Amritsar Projects Limited)
		Tril Infopark Limited
		TVS Logistics Services Limited
		United Hotels Limited
		United Telecom Limited (w.e.f. 28.05.2018)
		Varroc Engineering Private Limited (ceased w.e.f. 06.07.2018)
		Voltas Limited
		Vortex Engineering Private Limited
c.	Associates	United Telecom Limited
		STT Global Data Centres India Private Limited
		STT Tai Seng Pte Limited
		Teleena Holding B. V (up to 1 October 2018)
		Smart ICT Services Private Ltd.
e.	Key Managerial Personnel	Mr Vinod Kumar
		Managing Director and Group CEO
f.	Others	Multiples Alternate Asset Management Private Limited
		PeopleStrong HR Services Private Limited
		Encube Ethicals Private Limited
		Tata Communications Employee Provident Fund Trust
		Tata Communications Employee Gratuity Trust

* Where transactions have taken place

Note

On May 28, 2018, Tata Sons Private Limited (‘TSPL’) and its wholly owned subsidiary, Panatone Finvest Limited (‘Panatone’), increased their combined stake in TCL to 48.90% there by gaining de-facto control as per Ind-AS. Accordingly, the Company has classified TSPL and Panatone as “Controlling Entities” and disclosed subsidiaries, joint ventures and associates of Controlling Entities and their subsidiaries as the ‘Affiliates’ of the Controlling entities, effective this date. The Company had disclosed subsidiaries and joint ventures of Investing Parties and their subsidiaries as ‘Affiliates’ of the Investing parties in the previous year.

Notes forming part of the Consolidated financial statements

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45. Related party transactions (Contd..)

ii. Summary of transactions with related parties

(₹ in crores)

Particulars	Controlling Entities/ Investing Parties	Affiliates	Key management personnel	Associates	Others	Total
Transactions with related parties						
Dividend paid	**62.67**	**-**	**-**	**-**	**-**	**62.67**
	75.52	*-*	*-*	*-*	*-*	*75.52*
Brand equity expenses	**9.10**	**-**	**-**	**-**	**-**	**9.10**
	19.92	*-*	*-*	*-*	*-*	*19.92*
Revenue from telecommunication services	**3.35**	**1,179.06**	**-**	**93.06**	**0.0**	**1,275.47**
	3.62	*877.09*	*-*	*(24.12)*	*0.01*	*856.60*
Network and transmission	**-**	**430.21**	**-**	**29.22**	**-**	**459.43**
	-	*277.31*	*-*	*16.92*	*-*	*294.23*
Purchase of property plant and equipment	**-**	**42.32**	**-**	**1.98**	**-**	**44.30**
	-	*43.09*	*-*	*-*	*-*	*43.09*
Transfer of property plant and equipment	**-**		**-**	**0.73**	**-**	**0.73**
	-		*-*	*-*	*-*	*-*
Services rendered	**-**	**-**	**-**	**4.30**	**-**	**4.30**
	-	*-*	*-*	*27.35*	*-*	*27.35*
Services received	**0.64**	**264.56**	**-**	**63.58**	**-**	**328.78**
	0.63	*197.81*	*-*	*45.20*	*-*	*243.64*
Equity capital contribution	-	-	-	35.01	-	35.01
	-	*-*	*-*	*0.32*	*-*	*0.32*
Preference capital contribution	-	-	-	0.03	-	0.03
	-	*-*	*-*	*0.04*	*-*	*0.04*
Interest income	**-**	**-**	**-**	**-**	**-**	**-**
	29.72	*-*	*-*	*-*	*-*	*29.72*
Managerial remuneration	**-**	**-**	**23.69**	**-**	**-**	**23.69**
	-	*-*	*26.86*	*-*	*-*	*26.86*
Redemption of debentures	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

45. Related party transactions (Contd..)

(₹ in crores)

Particulars	Controlling Entities/ Investing Parties	Affiliates	Key management personnel	Associates	Others	Total
Royalty expenses	**1.09**	**-**	**-**	**-**	**-**	**1.09**
	2.05	*-*	*-*	*-*	*-*	*2.05*
Purchase of current investments	**-**	**448.65**	**-**	**-**	**-**	**448.65**
	-	*-*	*-*	*-*	*-*	*-*
Redemptions of current investments	**-**	**409.99**	**-**	**-**	**-**	**409.99**
	-	*-*	*-*	*-*	*-*	*-*
Contribution to gratuity trust	**-**	**-**	**-**	**-**	**21.96**	**21.96**
	-	*--*	*-*	*-*	*5.96*	*5.96*
Contribution to PF trust	**-**	**-**	**-**	**-**	**71.59**	**71.59**
	-	*-*	*-*	*-*	*64.36*	*64.36*
Balances with related parties						
Receivables	**0.54**	**479.54**	**-**	**60.69**	**0.00**	**540.77**
	0.71	*336.16*	*-*	*68.28*	*@*	*405.15*
Trade Payables (including capital creditors)	**19.26**	**424.49**	**20.68**	**29.63**	**6.19**	**500.25**
	48.23	*228.38*	*20.52*	*32.83*	*5.61*	*335.57*
Other investments-current	**-**	**40.00**	**-**	**-**	**-**	**40.00**
	-	*-*	*-*	*-*	*-*	*-*
Other financial assets – Non – Current	**-**	**1.14**	**-**	**0.22**	**-**	**1.36**
	-	*0.28*	*-*	*-*	*-*	*0.28*
Other financial assets – Current	**-**	**0.73**	**-**	**49.41**	**-**	**50.14**
	-	*0.27*	*-*	*70.34*	*-*	*70.61*
Other assets – Current	**-**	**17.17**	**-**	**1.40**	**-**	**18.57**
	0.01	*4.99*	*-*	*-*	*-*	*5.00*
Other assets – Non-Current	**-**	**0.02**	**-**	**-**	**-**	**0.02**
	-	*-*	*-*	*-*	*-*	*-*
Other liabilities - Non – current	**-**	**42.90**	**-**	**-**	**-**	**42.90**
	-	*4.99*	*-*	*-*	*-*	*4.99*
Other financial liabilities – Current	**@**	**6.07**	**-**	**17.99**	**-**	**24.06**
	@	*5.31*	*-*	*-*	*-*	*5.31*
Other liabilities – Current	**0.24**	**14.40**	**-**	**78.98**		**93.62**
	0.07	*8.90*	*-*	*0.06*	*0.03*	*9.06*

Notes forming part of the Consolidated financial statements

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45. Related party transactions (Contd..)

(₹ in crores)

Particulars	Controlling Entities/ Investing Parties	Affiliates	Key management personnel	Associates	Others	Total
Payment to non-controlling shareholders of subsidiary	**-**	**-**	**-**	**-**	**-**	
	-	*13.40*	-	-	-	*13.40*

@ represents transaction of amounts less than ₹ 50,000.

#Amounts in italics denote previous year figures for March 2018

46. Operating lease arrangements

Operating lease payments represent rentals payable by the Group for certain buildings, satellite channels, office equipment, computer equipment, Automatic Teller Machines (ATM's) and ATM related equipment and certain circuit capacities.

a. As lessee:

(₹ in crores)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Minimum lease payments under non-cancellable operating leases recognized as expense in the year	417.18	372.58

At the balance sheet date, minimum lease payments under non-cancellable operating leases fall due as follows:

(₹ in crores)

	As at 31 March 2019	As at 31 March 2018
Due not later than one year	343.30	372.20
Due later than one year but not later than five years	748.41	886.28
Later than five years	197.93	237.15
	1289.64	**1,495.63**

The minimum future lease payments have not been reduced by minimum operating sublease rentals of ₹ 25.22 crores (31 March 2018: ₹ 27.45 crores) due in the future under non-cancellable subleases. ₹ 10.71 crores (2017-2018: ₹ 9.44 crores) was recognized in the current year as minimum sublease rental against the same.

Notes forming part of the Consolidated financial statements

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46. Operating lease arrangements (Contd..)

b. As lessor:

i. In case of certain operating lease agreements relating to dark fiber contracts aggregating ₹ 314.95 crores (31 March 2018: ₹ 189.95 crores) as at 31 March 2019, 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 2019 amount to ₹ 18.64 crores (2017 - 2018: ₹ 5.65 crores).

Future lease rental receipts will be recognized in the Consolidated Statement of Profit and Loss of subsequent years as follows:

(₹ in crores)

	As at 31 March 2019	As at 31 March 2018
Due not later than one year	22.67	11.70
Due later than one year but not later than five years	87.45	45.40
Later than five years	147.24	80.85
	257.36	**137.95**

The Group has leased certain premises under non-cancellable operating lease arrangements to its associate. Future lease rental income in respect of these leases will be recognized in the Consolidated Statement of Profit and Loss of subsequent years as follows:

(₹ in crores)

	As at 31 March 2019	As at 31 March 2018
Not later than one year	63.09	101.15
Later than one year but not later than five years	70.11	55.48
Later than five years	58.48	-
	191.68	**156.63**

Lease rental income of ₹ 87.05 crores (2017-2018: ₹ 101.92 crores) in respect of the above leases has been recognized in the Consolidated Statement of Profit and Loss for the current year.

47. Finance lease arrangements:

As Lessee

As at 31 March 2019, assets under finance leases with gross carrying amount and accumulated depreciation of ₹ 72.00 crores (31 March 2018: ₹ 101.24 crores) and ₹ 56.01 crores (31 March 2018: ₹ 84.72 crores) respectively, are included in the total Property, Plant & Equipment. The net carrying amount of each class of asset under finance leases is as follows:

(₹ in crores)

Particulars	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	As at 31 March		As at 31 March		As at 31 March	
	2019	2018	2019	2018	2019	2018
Building	34.30	32.41	18.31	16.02	15.99	16.39
Plant and Machinery	37.70	63.42	37.70	63.29	-	0.13
Furniture and Fixtures	-	5.41	-	5.41	-	-
Total	**72.00**	**101.24**	**56.01**	**84.72**	**15.99**	**16.52**

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47. Finance lease arrangements: (Contd..)

Finance lease liabilities:

(₹ in crores)

	As at 31 March 2019	As at 31 March 2018
Minimum Lease payments		
Not later than one year	7.48	6.18
Later than one year but not later than 5 years	6.33	12.05
Later than 5 years	-	-
Total	**13.81**	**18.23**
Present Value of minimum lease payments		
Not later than one year	7.01	5.46
Later than one year but not later than 5 years	6.15	11.44
Later than 5 years	-	-
Total	**13.16**	**16.90**
Add: Future finance charges	0.65	1.33
Total minimum lease payments	**13.81**	**18.23**

48. Contingent liabilities and Commitments:

a. Contingent Liabilities:

(₹ in crores)

	As at 31 March 2019	As at 31 March 2018
i. Claims for taxes on income		
-Income tax disputes where department is in appeal against the Group (refer 1(i) below)	648.86	525.44
-Other disputes related to income tax	1,789.52	1,655.68
-Income tax disputes in foreign jurisdiction (refer 1(ii) & 1 (iii) below)	291.34	218.74
ii. Claims for other taxes	55.58	54.27
iii. Group share of contingent liabilities of associates	0.97	2.69
iv. Other claims (refer 2 below)	2,356.64	2,056.25

1. Claims for taxes on income

i. Significant claims by the revenue authorities in respect of income tax matters relate to disallowance of deductions claimed under 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.

ii. Canada Revenue Agency (CRA) had made addition to the taxable income by ₹ 617.44 crores (USD 89.20 million) (31 March 2018: ₹ 427.01 crores (USD 65.51 million) on Tata communications Canada Ltd (hereafter referred to as the subsidiary) in respect of adjustments made while carrying out audit of international telecommunications services for the period financial year 2007-08 to 2012-13 with potential tax demand of ₹ 94.10 crores (USD 13.59 million) (31 March 2018: ₹ 40.74 crores (USD 6.25 million). The subsidiary has filed notice of objections for the years 2007-08 to 2011-12 which is yet to come up for hearing and the notice of objections for the year 2012-13 will be filed in due course. As a result of primary adjustments, deemed dividend provisions became applicable and corresponding withholding tax implications (WHT)

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

48. Contingent liabilities and Commitments: (Contd..)

are ₹ 35.30 crores (USD 5.10 million) (31 March 2018: ₹ 25.52 crores (USD 3.92 million)). The Management has been advised that Transfer Pricing (TP) methodology implemented is as per industry practice and sustainable. In view of the above, the Management believes that issue will be settled in its favor and will not have any material adverse impact on its financial position and results of operations. The subsidiary has applied for an Advance pricing agreement (APA), on completion of which, matter will be concluded. Pending settlement of the matter, the Group has disclosed the potential tax demand of ₹ 94.10 crores (USD 13.59 million) (31 March 2018: ₹ 40.74 crores (USD 6.25 million)) and WHT of ₹ 35.30 crores (USD 5.10 million) (31 March 2018: ₹ 25.52 crores (USD 3.92 million)) as contingent liability in the books.

iii. Canada Revenue Agency (CRA) had initiated audit of support services rendered by Tata Communications Canada Ltd (hereafter referred to as 'the subsidiary') to Tata Communications Services (Bermuda) Limited ('TCSBL'). During financial year ended 31 March 2016, CRA proposed rejection of transfer pricing method applied by the said subsidiary and made additions to the taxable income of ₹ 769.66 crores (USD 111.19 million) (31 March 2018: ₹ 724.72 crores (USD 111.19 million)). The subsidiary has received reassessment notice from CRA for federal portion of tax and potential withholding tax implications (WHT) (including penalty and interest) of ₹ 161.94 crores (USD 23.39 million) (31 March 2018: ₹ 152.48 crores (USD 23.39 million)). The said subsidiary has not received reassessment from Provincial Tax authorities. The Management, based on the opinion of the external consultant, is of the view that CRA's adjustment is not sustainable as it does not reflect the facts underlying the adjusted transfer prices and is not consistent with arm's length principle. Therefore, the management believes that issue will be settled in the subsidiary's favor and will not have any material adverse impact on its financial position and results of operations. However, pending settlement of the matter, the Group has disclosed the potential tax implication and WHT of ₹ 161.94 crores (USD 23.39 million) (31 March 2018: ₹ 152.48 crores (USD 23.39 million)) as contingent liability in the books

2. Other claims:

i. Telecom Regulatory Authority of India ("TRAI") reduced the Access Deficit Charge ("ADC") rates effective 1 April 2007. All telecom service 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 TRAI Interconnect Usage Charges ("IUC") regulation of reduction in ADC and currently this matter is pending with the Supreme Court. The excess billing of BSNL amounting to ₹ 311.84 crores (31 March 2018: ₹ 311.84 crores) has been disclosed as contingent liability.

ii. On 19 February 2013, Department of Telecommunications ('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 (demanded and accrued till the balance sheet date) for ₹ 432.11 crores (31 March 2018: ₹ 378.41 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 ₹ 268.75 crores (31 March 2018: ₹ 231.68 crores) (including interest as demanded and accrued till the balance sheet date and penalty) for financial year 2005-06 and the matter is currently outstanding with the TDSAT. Apart from the above, contingent liabilities include ₹ 500.89 crores (31 March 2018: ₹ 480 crores) as computed by the Company for potential license fee claim on item covered in the demands referred above for the years under assessment.

iii. Upon expiry of the Company's Internet Service Provider ('ISP') license on 24 January 2014, DoT vide letter dated 20 February 2014 extended the validity of the said license for 3 months with condition that entire ISP revenue will be subject to license fees. This conditional extension by DoT, was challenged by the

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

48. Contingent liabilities and Commitments: (Contd..)

Company in TDSAT, which granted a stay subject to submission of undertaking that if petition fails then applicable license fees would be payable along with interest. Considering the above facts, the Company has disclosed an amount of ₹ 635.87 crores (31 March 2018: ₹ 460.42 crores) including interest under contingent liabilities.

iv. Other Claims of ₹ 207.18 crores (31 March 2018: ₹ 193.90 crores) pertains to the Company and its subsidiaries in various geographies being routine 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. The 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.

3. During the previous year, the Company and its two directors and an ex-employee have received show cause notices from Directorate of Enforcement, Ministry of Finance on alleged violation of the rules and regulations under the Foreign Exchange Management Act, 1999 (FEMA). The contravention amount involved in all these notices is ₹ 593 crores. The liability could extend up to three times of the amount quantified as contravention. The Company has provided ₹ 4.50 crores based on a legal opinion.

4. In FY 2015-16, based on the information provided to the Group by Liquid Telecommunications South Africa (Pty) Ltd. formerly known as Neotel Pty Limited ("Neotel"), the Group reported a matter resulting from certain transactions undertaken by Neotel during the previous year that had been referred to the appropriate authorities by Neotel. During the year ended 31 March 2017, the Group sold its entire shareholding in Neotel. As part of the sale agreement, the purchaser will be indemnified against any fines or penalties assessed by any relevant appropriate authorities which may arise from said matter. Total indemnity liability is limited to ₹ 357.75 crores (ZAR 750 million). Based on the current facts, the Group is of the view that this matter will not have a material adverse impact on its consolidated financial statements.

5. On August 7 2018, in an effort to toll the claims period under and pursuant to the Neotel Sale Agreement, VSNL SNOSPV Pte Ltd. (SNOSPV), together with the other sellers under the Sale Agreement, Sepco Communications Proprietary Limited and Nexus Connexion SA Proprietary Limited (collectively "Sellers"), received notice from Liquid Telecommunications Holdings South Africa (Pty) Limited ("Liquid") alleging certain breach of warranties and indemnity claims. While Liquid alleges that its damages are approximately ₹ 308.48 crores (ZAR 647 million), based on its analysis of the claim, the Company is of the view that this matter will not have a material adverse impact on its consolidated financial statements .

6. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund order dated February 28, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision based on further clarity on the subject matter.

7. Based on the management assessment and legal advice, wherever taken, the Group believes that the above claims are not probable and would not result in outflow of resources.

b. Capital commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amount to ₹ 651.01 crores (including Group's share in associate ₹ 94.02 crores) (31 March 2018: ₹ 517.16 crores (including Group's share in associate ₹ 131.80 crores)) (net of capital advances).

The Group has committed to subscribe to equity shares rights issue offer of STT Global Data Centers India Private Limited to the tune of ₹ Nil crores as at 31 March 2019 (31 March 2018: ₹ 35.01 crores)

Notes forming part of the Consolidated financial statements
for the year ended 31 March 2019

48. Contingent liabilities and Commitments: (Contd..)

As at 31 March 2019, the Group has remaining commitment of ₹ 123.90 crores (equivalent of USD 17.90 million) (31 March 2018: ₹ 134.27 crores (equivalent of USD 20.60 million)) out of total commitment of USD 40 million towards investments in Northgate Telecom Innovations Partners, L.P., one of the investee.

As at 31 March 2019, the Group has remaining commitment of ₹ 4.35 crores (equivalent of USD 0.629 million) (31 March 2018: ₹ 9.81 crores (equivalent of USD 1.51 million)) out of total commitment of USD 2 million towards investments in IoT Plus L.P - Jungle Venture, one of the investee.

49. Financial Statements for the following companies considered in the consolidated financial statements are based on management accounts and are unaudited:

(₹ in crores)

Subsidiary	Total Assets included in Consolidation	Total Revenues included in Consolidation	Cash flows included in Consolidation
VSNL SNOSPV Pte Limited	0.31	-	(0.34)
SEPCO Communications (Pty) Limited	3.14	-	(0.03)
Nexus Connexion (SA) Pty Limited	*	-	*
Associates			**Share in profit/ (loss) of associates**
Smart ICT Services Private Limited	-	-	(0.01)

* Less than ₹ 50,000

50. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/(Loss) (OCI)		Share of Total Comprehensive Income/ (Loss)	
	As percentage of consolidated net assets	Amount in ₹ crores	As percentage of consolidated profit or loss	Amount in ₹ crores	As percentage of consolidated OCI	Amount in ₹ crores	As percentage of total comprehensive income	Amount in ₹ crores
Parent								
Tata Communications Limited	134.86	8,198.88	(100.48)	(442.32)	(10.86)	(8.86)	(75.33)	(451.18)
Subsidiaries								
Indian								
Tata Communications Payment Solutions Limited	4.58	278.18	(28.44)	(125.22)	0.06	0.05	(20.90)	(125.17)
Tata Communications Transformation Services Limited	6.40	389.10	12.15	56.94	0.91	0.74	9.63	57.68
Tata Communications Collaboration Services Private Limited	1.45	88.32	11.69	51.48	-	-	8.60	51.48

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

50. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table: (Contd..)

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/(Loss) (OCI)		Share of Total Comprehensive Income/ (Loss)	
	As percentage of consolidated net assets	Amount in ₹ crores	As percentage of consolidated profit or loss	Amount in ₹ crores	As percentage of consolidated OCI	Amount in ₹ crores	As percentage of total comprehensive income	Amount in ₹ crores
Foreign								
Tata Communications (UK) Limited	(8.49)	(515.86)	(0.05)	(0.26)	-	-	(0.04)	(0.26)
Tata Communications (Canada) Ltd	(27.55)	(1,675.01)	(21.83)	(112.95)	(43.94)	(35.85)	(24.84)	(148.80)
Tata Communications Services (Bermuda) Ltd	3.55	215.84	37.46	193.81	-	-	32.36	193.81
Tata Communications (France) SAS	0.24	14.40	0.49	2.56	-	-	0.43	2.56
Tata Communications (America) Inc	14.04	853.63	13.49	69.77	-	-	11.65	69.77
Tata Communications Deutschland Gmbh	(4.50)	(273.29)	(7.24)	(37.47)	-	-	(6.26)	(37.47)
Tata Communications (Italy) srl	0.03	1.54	(0.28)	(1.46)	-	-	(0.24)	(1.46)
Tata Communications (Spain) SL	1.77	107.78	2.21	11.44	-	-	1.91	11.44
Tata Communications (Nordic) AS	0.04	2.41	0.27	1.41	-	-	0.24	1.41
Tata Communications (Australia) Pty Ltd	0.27	16.29	1.10	5.67	-	-	0.95	5.67
Tata Communications (Bermuda) Ltd	(48.10)	(2,924.34)	(34.49)	(178.46)	-	-	(29.80)	(178.46)
Tata Communications (Hong Kong) Limited	(3.92)	(238.22)	(8.75)	(45.25)	-	-	(7.55)	(45.25)
Tata Communications (Poland) Sp Zoo	0.03	2.12	(0.18)	(0.93)	-	-	(0.16)	(0.93)
Tata Communications Services (International) Pte Ltd	0.33	19.77	0.42	2.18	-	-	0.36	2.18
ITXC IP Holdings s.a.r.l	0.08	4.89	3.75	19.42	-	-	3.24	19.42
Tata Communications (Netherlands) BV	12.45	756.92	4.48	23.20	(31.07)	(25.35)	(0.36)	(2.15)
Tata Communications (Sweden) AB	0.03	1.79	(0.03)	(0.16)	-	-	(0.03)	(0.16)
Tata Communications (Portugal) Instalacao E Manutencao De Redes Lda	(0.05)	(3.13)	0.51	2.62	-	-	0.44	2.62
Tata Communications (Portugal) Unipessol Lda	0.16	9.99	(0.04)	(0.23)	-	-	(0.04)	(0.23)
Tata Communications (Russia) LLC	0.39	23.70	(0.57)	(2.96)	-	-	(0.49)	(2.96)
Tata Communications (Switzerland) GmbH	0.06	3.52	0.05	0.24	-	-	0.04	0.24
Tata Communications (Belgium) SPRL	0.01	0.69	(0.01)	(0.05)	-	-	(0.01)	(0.05)

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

50. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table: (Contd..)

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/(Loss) (OCI)		Share of Total Comprehensive Income/ (Loss)	
	As percentage of consolidated net assets	Amount in ₹ crores	As percentage of consolidated profit or loss	Amount in ₹ crores	As percentage of consolidated OCI	Amount in ₹ crores	As percentage of total comprehensive income	Amount in ₹ crores
Tata Communications (Hungary) LLC	0.08	5.09	0.02	0.09	-	-	0.02	0.09
Tata Communications (Ireland) Ltd	0.01	0.71	0.11	0.57	-	-	0.09	0.57
Tata Communications (Middle East) FZ-LLC	(0.27)	(16.50)	1.36	7.02	-	-	1.17	7.02
TCPoP Communications GmbH	0.12	7.32	0.02	0.09	-	-	0.02	0.09
Tata Communications (Taiwan) Ltd	-	(0.29)	0.03	0.15	-	-	0.03	0.15
Tata Communications (New Zealand) Limited	0.01	0.61	(0.01)	(0.04)	-	-	(0.01)	(0.04)
Tata Communications (Malaysia) Sdn Bhd	0.05	2.79	0.05	0.25	-	-	0.04	0.25
Tata Communications (Thailand) Limited	0.05	2.99	0.01	0.05	-	-	0.01	0.05
Tata Communications (Beijing) Technology Limited	0.02	1.23	0.03	0.14	-	-	0.02	0.14
Tata Communications South Korea Limited	0.03	1.86	0.03	0.14	-	-	0.02	0.14
Tata Communications (Japan) KK	0.03	1.89	0.57	2.97	-	-	0.50	2.97
Tata Communications (Guam) LLC	2.41	146.77	2.08	10.75	-	-	1.79	10.75
Tata Communications International Pte Ltd	6.15	373.74	(34.76)	(179.86)	-	-	(30.03)	(179.86)
VSNL SNOSPV Pte Ltd	(0.17)	(10.29)	33.31	172.36	-	-	28.78	172.36
SEPCO Communications (Pty) Ltd	0.04	2.56	(0.09)	(0.46)	-	-	(0.08)	(0.46)
Nexus Connexion (SA) Pty Ltd	-	(0.07)	0.00	0.01	-	-	0.00	0.01
Tata Communications Transformation Services (Hungary) Kf	-	0.09	(0.03)	(0.16)	-	-	(0.03)	(0.16)
Tata Communications Transformation Services Pte Limited	-	0.25	(0.32)	(1.67)	-	-	(0.28)	(1.67)
Tata Communications Transformation Services (US) Inc	-	0.20	(0.02)	(0.12)	-	-	(0.02)	(0.12)
Tata Communications Transformation Services South Africa (Pty) Ltd	-	0.08	(0.04)	(0.19)	-	-	(0.03)	(0.19)
Tata Communications Participacoes Ltda	0.08	5.07	(0.08)	(0.43)	-	-	(0.07)	(0.43)
Tata Communications Comunicacoes e Multimidia (Brazil) Limitada	0.09	5.40	0.02	0.08	-	-	0.01	0.08
Tata Communications Lanka Limited	1.21	73.50	3.73	19.32	-	-	3.23	19.32
Tata Communications MOVE B.V	2.74	166.28	21.09	109.10			18.21	109.10

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2019

50. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table: (Contd..)

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/(Loss) (OCI)		Share of Total Comprehensive Income/ (Loss)	
	As percentage of consolidated net assets	Amount in ₹ crores	As percentage of consolidated profit or loss	Amount in ₹ crores	As percentage of consolidated OCI	Amount in ₹ crores	As percentage of total comprehensive income	Amount in ₹ crores
Tata Communications MOVE Nederland B.V.	(0.76)	(46.18)	0.32	1.68			0.28	1.68
Tata Communications MOVE UK Ltd	0.01	0.39	-	-			-	-
Tata Communications MOVE Singapore Pte. Ltd	-	(0.21)	0.01	0.04			0.01	0.04
Tata Communications MuCoSO B.V.	-	0.00	-	-			-	-
Non controlling interests in all subsidiaries	(0.09)	(5.76)	(0.37)	(1.94)	-	-	(0.37)	(1.94)
Associates								
Indian Associates								
STT Global Data Centres India Private Limited	-	-	3.80	19.64	(0.04)	(0.03)	3.27	19.61
Smart ICT Services Pvt Ltd	-	-	(0.00)	(0.01)	-	-	0.00	(0.01)
Foreign Associates								
STT Tai Seng Pte Ltd	-	-	(31.73)	(164.17)	(15.11)	(12.29)	(29.46)	(176.46)
Teleena Holding BV	-	-	(1.12)	(5.77)	0.00	0.00	(0.96)	(5.77)
Total	**100.00**	**6,079.43**	**100.00**	**(517.37)**	**100.00**	**(81.58)**	**100.00**	**(598.96)**
Adjustments on Consolidation		(6,261.24)		435.00		(363.78)		71.23
Grand Total		**(181.81)**		**(82.37)**		**(445.36)**		**(527.73)**

51. Events after the reporting period

There are no significant subsequent events between the year ended 31 March 2019 and signing of financial statements as on May 08, 2019 which have material impact on the consolidated financial statements of the Company.

52. Approval of financial statement

The financial statements were approved for issue by the board of directors on 8 May 2019

53. Previous year's figures have been regrouped/rearranged where necessary to confirm to current year's classification/ disclosure.

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

PRASHANT SINGHAL
Partner
Membership No. 93283

MUMBAI
Dated: 8 May 2019

For and on behalf of the Board of Directors

RENUKA RAMNATH
Chairperson

VINOD KUMAR
Managing Director
& Group CEO

PRATIBHA K. ADVANI
Chief Financial Officer

MANISH SANSI
Company Secretary

MUMBAI
Dated: 8 May 2019

Statement persuant to Section 129 (3) of the Companies Act, 2013

PART "A" - SUBSIDIARIES

(₹ in crores)

Sl. No.	Name of the subsidiary company	Percentage holding	Reporting currency	Exchange rate	Share Capital	Reserves	Total Assets	Total Liabilities	Investment Details (except in case of investment in the subsidiaries)	Total Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Tata Communications Payments Solutions Limited	100%	INR	NA	987.09	-708.91	886.73	608.55	0.00	357.08	-125.22	0.00	-125.22	0.00
2	Tata Communications Transformation Services Limited	100%	INR	NA	0.50	388.60	833.94	444.85	0.00	1,167.62	88.50	31.56	56.94	0.00
3	Tata Communications Collaboration Services Private Limited	100%	INR	NA	0.02	88.30	151.79	63.47	0.00	154.73	73.02	21.54	51.48	0.00
4	Tata Communications Lanka Limited	90%	USD	69.22	8.29	65.21	86.33	12.83	0.00	83.08	22.70	3.56	19.13	0.00
5	Tata Communications (UK) Limited	100%	USD	69.22	93.74	-609.60	769.96	1,285.82	0.00	1,763.07	-0.26	0.00	-0.26	0.00
6	Tata Communications (Canada) Ltd	100%	USD	69.22	508.91	-2,183.92	576.53	2,251.54	0.00	1,726.33	-95.75	16.09	-111.84	0.00
7	Tata Communications Services (Bermuda) Ltd	100%	USD	69.22	73.45	142.39	229.38	13.54	0.00	243.38	191.90	0.00	191.90	0.00
8	Tata Communications (France) SAS	100%	USD	69.22	141.15	-126.75	299.42	285.02	0.00	303.08	3.04	0.51	2.53	0.00
9	Tata Communications Participacoes Ltda	100%	USD	69.22	5.68	-0.61	5.12	0.05	0.00	0.00	-0.43	0.00	-0.43	0.00
10	Tata Communications Comunicacoes e Multimidia (Brazil) Limitada	100%	USD	69.22	5.33	0.07	7.42	2.02	0.00	3.95	0.12	0.04	0.08	0.00
11	Tata Communications (America) Inc	100%	USD	69.22	1,568.55	-714.92	2,005.00	1,151.37	157.89	2,758.27	71.92	2.84	69.08	0.00
12	Tata Communications Deutschland Gmbh	100%	USD	69.22	0.23	-273.52	160.79	434.08	0.00	487.77	-40.27	-3.17	-37.10	0.00
13	Tata Communications (Italy) srl	100%	USD	69.22	45.67	-44.13	62.42	60.88	0.00	117.35	-1.45	0.00	-1.45	0.00
14	Tata Communications (Spain) SL	100%	USD	69.22	3.72	104.06	145.92	38.14	0.00	113.00	13.74	2.41	11.33	0.00
15	Tata Communications (Nordic) AS	100%	USD	69.22	0.12	2.29	14.09	11.68	0.00	33.32	0.53	-0.87	1.40	0.00
16	Tata Communications (Australia) Pty Ltd	100%	USD	69.22	2.47	13.82	74.09	57.80	0.00	237.54	5.22	-0.39	5.61	0.00
17	Tata Communications (Bermuda) Ltd	100%	USD	69.22	0.09	-2,924.43	3,682.09	6,606.43	0.00	577.33	-176.70	0.00	-176.70	0.00
18	Tata Communications (Hong Kong) Limited	100%	USD	69.22	55.53	-293.75	223.50	461.72	0.45	575.44	-44.73	0.07	-44.80	0.00
19	Tata Communications (Poland) Sp Zoo	100%	USD	69.22	3.27	-1.15	10.74	8.62	0.00	56.82	0.50	1.42	-0.92	0.00
20	Tata Communications Services (International) Pte Ltd	100%	USD	69.22	2.39	17.38	41.75	21.98	0.00	43.26	2.60	0.44	2.16	0.00
21	ITXC IP Holdings s.a.r.l	100%	USD	69.22	0.11	4.78	72.98	68.09	0.00	7.20	19.21	-0.02	19.23	0.00
22	Tata Communications (Netherlands) BV	100%	USD	69.22	1,244.58	-487.66	7,290.80	6,533.88	0.00	1,405.39	30.62	7.65	22.97	0.00
23	Tata Communications (Sweden) AB	100%	USD	69.22	2.53	-0.74	7.29	5.50	0.00	9.28	-0.05	0.11	-0.16	0.00
24	Tata Communications (Portugal) Instalacao E Manutencao De Redes Lda	100%	USD	69.22	420.27	-423.40	52.79	55.92	0.00	28.56	4.89	2.30	2.59	0.00
25	Tata Communications (Portugal) Unipessol Lda	100%	USD	69.22	9.65	0.34	10.00	0.01	0.00	0.00	-0.21	0.02	-0.23	0.00
26	Tata Communications (Russia) LLC	99.90%	USD	69.22	0.60	23.10	28.26	4.56	0.00	7.58	-0.25	2.68	-2.93	0.00
27	Tata Communications (Switzerland) GmbH	100%	USD	69.22	3.28	0.24	12.30	8.78	0.00	21.73	0.18	-0.06	0.24	0.00
28	Tata Communications (Belgium) SPRL	100%	USD	69.22	23.10	-22.41	3.38	2.69	0.00	8.07	-0.04	0.01	-0.05	0.00
29	Tata Communications (Hungary) LLC	100%	USD	69.22	6.03	-0.94	7.25	2.16	0.00	10.71	0.15	0.06	0.09	0.00
30	Tata Communications (Ireland) Ltd	100%	USD	69.22	0.00	0.71	16.45	15.74	0.00	48.84	0.60	0.04	0.56	0.00
31	Tata Communications (Middle East) FZ-LLC	100%	USD	69.22	0.10	-16.60	35.33	51.83	0.00	74.47	6.95	0.00	6.95	0.00
32	TCPoP Communications GmbH	100%	USD	69.22	0.32	7.00	12.99	5.67	0.00	3.65	0.24	0.15	0.09	0.00
33	Tata Communications (Taiwan) Ltd	100%	USD	69.22	0.05	-0.34	11.74	12.03	0.00	18.43	0.04	-0.11	0.15	0.00
34	Tata Communications(New Zealand) Limited	100%	USD	69.22	0.00	0.61	2.08	1.47	0.00	3.07	-0.05	-0.01	-0.04	0.00
35	Tata Communications (Malaysia) Sdn Bhd	100%	USD	69.22	0.33	2.46	32.38	29.59	0.00	67.77	0.63	0.38	0.25	0.00
36	Tata Communications (Thailand) Limited	100%	USD	69.22	4.07	-1.08	3.44	0.45	0.00	1.56	0.05	0.00	0.05	0.00
37	Tata Communications (Beijing) Technology Limited	100%	USD	69.22	1.13	0.10	2.97	1.74	0.00	7.11	0.19	0.05	0.14	0.00

(₹ in crores)

Sl. No.	Name of the subsidiary company	Percentage holding	Reporting currency	Exchange rate	Share Capital	Reserves	Total Assets	Total Liabilities	Investment Details (except in case of investment in the subsidiaries)	Total Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
38	Tata Communications South Korea Limited	100%	USD	69.22	1.81	0.05	4.09	2.23	0.00	4.25	0.11	-0.03	0.14	0.00
39	Tata Communications (Japan) KK	100%	USD	69.22	25.11	-23.22	567.63	565.74	0.00	244.12	11.52	8.58	2.94	0.00
40	Tata Communications (Guam) LLC	100%	USD	69.22	0.00	146.77	174.67	27.90	0.00	33.81	13.10	2.46	10.64	0.00
41	Tata Communications International Pte Ltd	100%	USD	69.22	2,929.04	-2,555.30	2,646.85	2,273.11	-138.61	1027.07	-177.10	0.98	-178.08	0.00
42	VSNL SNOSPV Pte Ltd	100%	USD	69.22	176.16	-186.45	0.31	10.60	0.00	0.00	170.66	0.00	170.66	0.00
43	SEPCO Communications (Pty) Ltd	73.17%	ZAR	4.77	0.00	2.56	3.14	0.59	0.00	0.00	-0.46	0.00	-0.46	0.00
44	Nexus Connexion (SA) Pty Ltd	100%	ZAR	4.77	0.00	-0.07	0.00	0.07	0.00	0.00	0.01	0.00	0.01	0.00
45	Tata Communications Transformation Services (Hungary) Kf	100%	HUF	0.24	0.54	-0.45	0.47	0.38	0.00	0.00	-0.16	0.00	-0.16	0.00
46	Tata Communications Transformation Services Pte Limited	100%	USD	69.22	1.18	-0.93	9.13	8.88	0.00	9.28	-1.58	0.06	-1.65	0.00
47	Tata Communications Transformation Services (US) Inc	100%	USD	69.22	0.35	-0.15	0.26	0.06	0.00	0.00	-0.11	0.01	-0.12	0.00
48	Tata Communications Transformation Services South Africa (Pty) Ltd	100%	ZAR	4.77	0.31	-0.23	0.22	0.13	0.00	0.00	-0.19	0.00	-0.19	0.00
49	Tata Communications MOVE B.V	100%	EUR	77.62	0.26	166.02	180.64	14.36	0.00	11.56	108.02	0.00	108.02	0.00
50	Tata Communications MOVE Nederland B.V.	100%	EUR	77.62	0.14	-46.32	29.22	75.40	0.00	67.19	1.66	0.00	1.66	0.00
51	Tata Communications MOVE UK Ltd	100%	GBP	90.18	0.00	0.39	0.78	0.39	0.00	0.64	0.00	0.00	0.00	0.00
52	Tata Communications MOVE Singapore Pte. Ltd	100%	SGD	51.06	0.26	-0.47	1.24	1.45	0.00	1.61	0.04	0.00	0.04	0.00
53	Tata Communications MuCoSO B.V.	100%	EUR	77.62	0.14	-0.14	0.10	0.10	0.00	0.08	0.00	0.00	0.00	0.00
54	NetFoundry Inc.	100%	-	-	-	-	-	-	-	-	-	-	-	-

PART "B" - ASSOCIATES

(₹ in crores)

Sl. No.	Name of the subsidiary company	Joint Venture /Associate	Percentage holding	Reporting Currency	Description of how there is significant influence	Number of shares held	Amount of Investment	Networth attributable to shareholding as per the latest balance sheet	Profit & loss for the year considered in consolidation (including Other Comprehensive Income)	Profit/ (loss for the year not considered in consolidation
1	STT Tai Seng Pte Ltd	Associate	26.00%	SGD	Shareholding more than 20%	52	216.03	87.69	(156.24)	-
2	STT Global Data Centres India Private Limited	Associate	26.00%	INR	Shareholding more than 20%	2,730	619.55	651.57	19.61	-
3	United Telecom Limited	Associate	26.66%	NPR	Shareholding more than 20%	57,31,900	35.82	(11.53)	-	(15.33)
4	Smart ICT Services Private Limited	Associate	24.00%	INR	Shareholding more than 20%	3,15,186	0.30	(0.22)	(0.01)	

TATA COMMUNICATIONS LIMITED

Corporate Identification No.(CIN) - L64200MH1986PLC039266
Registered Office: VSB, Mahatma Gandhi Road, Fort, Mumbai - 400 001.
Tel : +91 22 6659 1968, Email : investor.relations@tatacommunications.com,
Website : www.tatacommunications.com

TATA

ATTENDANCE SLIP

(To be presented at the entrance)
33RD ANNUAL GENERAL MEETING ON FRIDAY, AUGUST 2, 2019 AT 11.30 A.M.
at BSE International Convention Hall, 1st Floor, BSE Building, P.J. Towers, Fort, Mumbai – 400 001

Folio No.______________________ DPID 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.

TATA COMMUNICATIONS LIMITED

Corporate Identification No.(CIN) - L64200MH1986PLC039266
Registered Office: VSB, Mahatma Gandhi Road, Fort, Mumbai - 400 001.
Tel : +91 22 6659 1968, Email : investor.relations@tatacommunications.com,
Website : www.tatacommunications.com

TATA

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 33rd Annual General Meeting of the Company to be held on Friday, August 2, 2019 at 11.30 a.m. at BSE International Convention Hall, 1st Floor, BSE Building, P.J. Towers, Fort, Mumbai – 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt:
   a. Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and
   b. Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 along with the Report of the Auditors thereon.
2. To declare Dividend for the financial year 2018-19.
3. To re-appoint Mr. Srinath Narasimhan (DIN: 00058133), who retires by rotation and, being eligible, offers himself for re-appointment as a Director.
4. Ratification of appointment of Statutory Auditors.

Special Business:

5. Appointment of Dr. Maruthi Prasad Tangirala (DIN: 03609968) as a Director of the Company.
6. Appointment of Dr. Rajesh Sharma (DIN: 08200125) as a Director of the Company.
7. Re-appointment of Dr. Uday B. Desai (DIN: 01735464) as an Independent Director of the Company.
8. Ratification of Cost Auditor's Remuneration

Signed this .... day of 2019

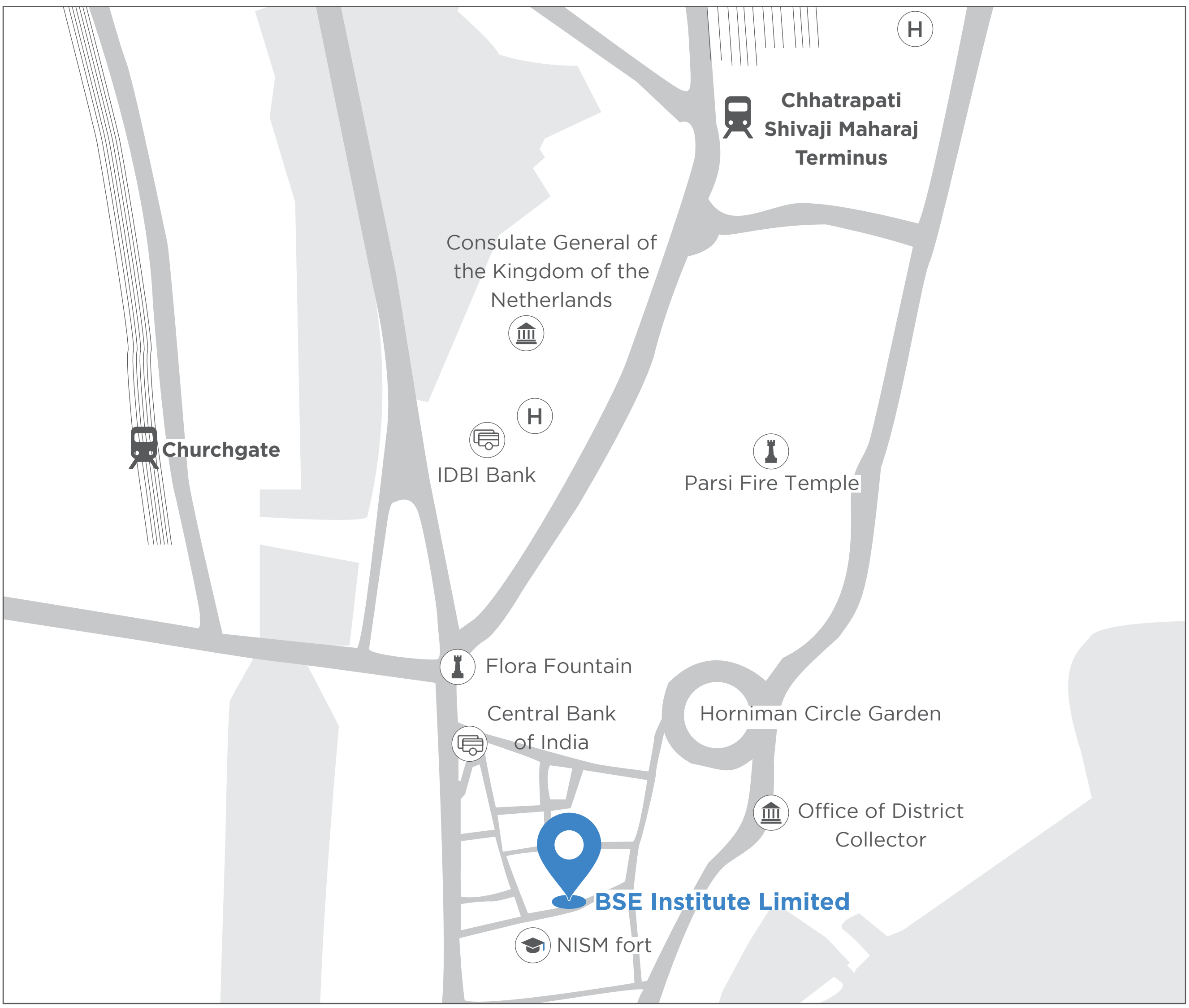
Signature of shareholder..................................Signature of Proxyholder(s)..........................REVENUE STAMP HOLDER.................

NOTES: 1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at VSB, Mahatma Gandhi Road, Fort, Mumbai – 400 001, not less than 48 hours before the commencement of the Meeting.

2. Those Members who have multiple folios with different joint-holders may use copies of this Attendance slip/Proxy.

Route Map to the AGM Venue

Venue: **BSE International Convention Hall, 1st Floor, BSE Building, P.J. Towers, Fort, Mumbai – 400 001**



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INDIA

Tata Communications Limited
Plots C21 and C36
Block G. Bandra Kurla Complex
Bandra (East)
Mumbai 400 098

SINGAPORE

Tata Communications
International Pte. Limited
18 Tai Seng Street #04-01,
18 Tai Seng, Singapore 539775
Registration Number: 20040025G

HONGKONG

Tata Communications
(Hong Kong) Limited
Room 3702, Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

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Vintners Place
68 Upper Thames Street
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United Kingdom

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60486 Frankfurt am Main.
Germany

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66 Avenue Charles de Gaulle
92200 Neuilly sur Seine
France

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Montreal. Quebec
Canada H3C 4S9

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Tata Communications
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2355 Dulles Corner Boulevard,
Suite 700
Herndon. VA 20171

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www.tatacommunications.com

TATA COMMUNICATIONS

TATA

About Tata Communications

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

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

The company's capabilities are underpinned by its global network, which is the world's largest wholly owned subsea fibre backbone and a Tier-1 IP network.

Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India, and it serves customers in more than 200 countries and territories worldwide through its technology capabilities and partnerships.

www.tatacommunications.com