



HQ/CS/CL.24B/17343

July 20, 2022

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

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

Dear Sir / Madam,

**Sub: Unaudited Financial Results of Tata Communications Limited ("the Company") for the quarter ended June 30, 2022.**

Pursuant to Regulation 33 read with Regulation 30 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the unaudited standalone and consolidated financial results of the Company for the quarter ended June 30, 2022, which have been approved and taken on record at the meeting of the Board of Directors of the Company held today (**Attachment A**).

We would like to state that S.R. Batliboi & Associates, LLP, Statutory Auditors of the Company, have issued a Limited Review Report with an unmodified opinion on the above-mentioned financial results (**Attachment B**).

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

The aforesaid documents are also available on the website of the Company at [www.tatacommunications.com/investors/results](http://www.tatacommunications.com/investors/results).

The meeting of the Board of Directors commenced at 12:00 hours IST and concluded at 15:45 hours IST.

Thanking you,

Yours faithfully,  
For Tata Communications Limited

Zubin Adil Patel  
Company Secretary and  
Compliance Officer

**TATA COMMUNICATIONS**

Tata Communications Limited

Regd. Office: VSB Mahatma Gandhi Road Fort Mumbai – 400 001  
Tel: 91 22 6659 1968 email: [zubin.patel@tatacommunications.com](mailto:zubin.patel@tatacommunications.com)  
CIN: L64200MH1986PLC039266 website: [www.tatacommunications.com](http://www.tatacommunications.com)



## TATA COMMUNICATIONS

# TATA COMMUNICATIONS LIMITED

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

(₹ in crores)

A. STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022				
Particulars	For the quarter ended			For the year ended
	June 30 2022	March 31 2022	June 30 2021	March 31 2022
(Refer notes below)	(Unaudited)	(Refer note 2)	(Unaudited)	(Audited)
1 <b>Income from operations</b>	1,720.36	1,725.28	1,576.20	6,587.35
2 Other income, net (refer note 6)	259.02	298.73	169.00	558.49
3 <b>Total Income (1+2)</b>	<b>1,979.38</b>	<b>2,024.01</b>	<b>1,745.20</b>	<b>7,145.84</b>
4 <b>Expenses</b>				
a. Network and transmission expense	580.92	640.99	518.37	2,238.61
b. Employee benefits expense	359.17	322.43	328.44	1,279.22
c. Finance costs	25.34	20.50	23.54	88.59
d. Depreciation and amortisation expense	232.40	237.59	219.56	916.14
e. Other expenses	310.39	318.28	254.73	1,113.74
<b>f. Total expenses (4a to 4e)</b>	<b>1,508.22</b>	<b>1,539.79</b>	<b>1,344.64</b>	<b>5,636.30</b>
5 <b>Profit before exceptional items and tax (3 - 4)</b>	<b>471.16</b>	<b>484.22</b>	<b>400.56</b>	<b>1,509.54</b>
6 Exceptional items (Refer note 3)	-	0.70	-	10.78
7 <b>Profit / (Loss) before tax (5 + 6)</b>	<b>471.16</b>	<b>484.92</b>	<b>400.56</b>	<b>1,520.32</b>
8 <b>Tax expense / (benefit):</b> (refer note 6)				
a. Current tax	121.04	98.96	73.91	333.00
b. Deferred tax	(9.50)	29.46	(7.10)	20.00
9 <b>Profit / (Loss) for the period/year (7 - 8)</b>	<b>359.62</b>	<b>356.50</b>	<b>333.75</b>	<b>1,167.32</b>
10 Other Comprehensive Income / (Loss) (net of tax)	(5.01)	2.75	(24.49)	(32.22)
11 <b>Total Comprehensive Income / (Loss) for the period/year (9 + 10)</b>	<b>354.61</b>	<b>359.25</b>	<b>309.26</b>	<b>1,135.10</b>
12 Paid up equity share capital (Face value of ₹ 10 per share)	285.00	285.00	285.00	285.00
13 Reserves excluding Revaluation reserve				9,311.57
14 Net worth				9,802.63
15 Earnings per share (of ₹ 10/- each) (not annualised)				
Basic and diluted earnings per share (₹)	12.62	12.51	11.71	40.96



## TATA COMMUNICATIONS

### B. Standalone Business Segment Information:

#### i. Segment wise revenue and results:

(₹ in crores)

Particulars	For the quarter ended			For the year ended
	June 30 2022	March 31 2022	June 30 2021	March 31 2022
	(Unaudited)	(Refer note 2)	(Unaudited)	(Audited)
<b>Income from Operations</b>				
Voice Solutions	19.14	18.01	26.60	90.12
Data and Managed Services	1,650.95	1,657.10	1,508.35	6,309.83
Real Estate	50.27	50.17	41.25	187.40
<b>Total</b>	<b>1,720.36</b>	<b>1,725.28</b>	<b>1,576.20</b>	<b>6,587.35</b>
<b>Segment result</b>				
Voice Solutions	(39.51)	(50.73)	(54.23)	(190.02)
Data and Managed Services	245.35	224.49	282.35	1,106.74
Real Estate	31.64	32.23	26.98	122.92
<b>Total</b>	<b>237.48</b>	<b>205.99</b>	<b>255.10</b>	<b>1,039.64</b>
Less :				
(i) Finance Costs	25.34	20.50	23.54	88.59
(ii) Other un-allocable (income) net of un-allocable expenses	(259.02)	(299.43)	(169.00)	(569.27)
<b>Profit/(Loss) before taxes</b>	<b>471.16</b>	<b>484.92</b>	<b>400.56</b>	<b>1,520.32</b>

#### ii. Segment Assets and Liabilities:

(₹ in crores)

Particulars	As on		
	June 30 2022	March 31 2022	June 30 2021
<b>Segment Assets</b>			
Voice Solutions	83.30	71.11	97.30
Data and Managed Services	6,673.43	6,390.27	6,488.47
Real Estate	436.64	433.91	427.51
Unallocable Assets	8,112.40	7,825.15	7,471.17
<b>Total Assets</b>	<b>15,305.77</b>	<b>14,720.44</b>	<b>14,484.45</b>
<b>Segment Liabilities</b>			
Voice Solutions	104.02	124.51	146.39
Data and Managed Services	3,389.65	3,270.61	3,431.79
Real Estate	101.66	95.17	88.41
Unallocable Liabilities	2,143.15	1,427.52	1,841.07
<b>Total Liabilities</b>	<b>5,738.48</b>	<b>4,917.81</b>	<b>5,507.66</b>



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### iii. Notes to Segments:

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

Voice Solutions include International and National Long Distance Voice services.

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

Real Estate includes lease rentals for premises given on lease.

### C. Additional information pursuant to Regulation 54(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended for the quarter ended June 30, 2022

	For the quarter ended			For the year ended
	June 30 2022	March 31 2022	June 30 2021	March 31 2022
1. Operating Margin (%) Earnings before exceptional items, Interest and Tax/ Income from Operations	13.80%	11.94%	16.18%	15.78%
2. Net Profit Margin (%) Profit/(Loss) for the period/ Income from Operations	20.90%	20.66%	21.17%	17.72%
3. Interest service coverage ratio (no. of times) Earning before exceptional items, interest, depreciation and amortization and tax (EBITDA) / Finance costs	18.54*	21.64	20.16	22.08

\* Finance cost has increased due to change in discount rate as per actuarial valuation.

	As at	As at
	June 30 2022	March 31 2022
1. Asset coverage ratio (no. of times) (Property, plant and equipment + Capital work in progress + Investment property + Other intangible assets + Intangible assets under development + Investment property under development)/ Total Debt	9.41	9.38
2. Debt Equity ratio Total Debt (Long term borrowings + Short term borrowings (including Current maturities of long term borrowings)) / Equity	0.06	0.05
3. Debt service coverage ratio (no. of times) EBITDA/ (Finance costs + Short term borrowings (including Current maturities of long term borrowings))	0.85#**	21.05
4. Current Ratio (no. of times) Total Current Assets/ Total Current Liabilities	0.65***	1.03
5. Bad debts to Accounts receivables ratio (%) Bad debts written off/ Average Trade receivables	-	0.43%
6. Current Liability ratio (no. of times) Total Current Liabilities/ Total Equity and Liabilities	0.30	0.23
7. Total Debt to Total Assets Total Debt/ Total Assets	0.04	0.04
8. Debtors turnover (no. of times) Income from Operations/ Average Trade receivables	1.37#	6.01
9. Long term debt to working capital Long term borrowings/ (Total Current Assets – Total Current Liabilities)	(0.01)***	4.82

# Not annualized

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

\*\*\* Decreased mainly due to dividend as approved in annual general meeting, reclassification from current to non-current of loan given to subsidiary and reclassification of unsecured debentures from non-current to current as per repayment terms.



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### Notes to standalone financial results:

- The above standalone unaudited financial results of the Company for the quarter ended June 30, 2022 have been subjected to a limited review by the statutory auditors. These results have been reviewed by the audit committee and taken on record and approved by the Board of Directors at their meeting held on July 20, 2022.
- The figures of the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the published figures of nine months ended December 31, 2021, which were subjected to limited review by the statutory auditors.
- Details of exceptional items are listed below

(₹ in crores)

	For the quarter ended			For the year ended
	June 30 2022	March 31 2022	June 30 2021	March 31 2022
1. Staff cost optimization (refer note a)	-	0.70	-	0.70
2. Insurance claim (refer note b)	-	-	-	10.08
<b>Total</b>	-	<b>0.70</b>	-	<b>10.78</b>

- The Company has reversed certain provisions with respect to Staff cost optimization based on final settlement.
  - During the year ended March 31, 2022, the Group recognised an amount of ₹ 10.08 crores based on final settlement of the claim against loss caused due to malfunctioning of the fire suppression system in earlier years.
- During the quarter ended September 30, 2019, the Company had received demands from Department of Telecommunications (DOT) aggregating to ₹ 6,633.43 crores towards License Fee on its Adjusted Gross Revenue (AGR) for the financial years 2006-07 till 2017-18.

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

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

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

- As at June 30, 2022, the carrying value of Company's investment in its subsidiary Tata Communications Payment Solutions Limited ('TCPSL') is ₹ 1,053.04 crores which has accumulated losses of ₹ 1,581.36 crores (includes a loss of ₹ 22.70 crores for the current



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period). The business of TCPSL was adversely impacted due to Covid 19 pandemic and prolonged lockdown and restrictions which had resulted into decline in revenue due to decrease in the volume of transactions at the ATM's. In certain parts of the country the current prevailing pandemic situation is quite fluid and volatile. Accordingly predicting timelines for the return of normalcy is difficult and there exists uncertainty relating to timing and growth in the demand for TCPSL's services and the achievement of the plans. However, with the easing of the pandemic related restrictions and opening of the offices and commercial establishments and resurgence of economic activities in the semi urban and rural areas where it has its majority of the ATM's, TCPSL has started recovering and expects the revival of the transactions to the pre covid level gradually. Considering its revised business model further strengthened by the increase in the Inter Bank Rate (IBR) announced by the RBI, the Company believes that TCPSL would be able to generate positive Cashflows and profits in the future periods. Based on above factors and internal assessment of future business plan, management is of the view that the carrying value of the investment in TCPSL as at June 30, 2022 is appropriate.

6. During the quarter ended March 31, 2022, pursuant to the conclusion of agreement between the Company and Central Board of Direct Taxes, the Company has charged incremental guarantee fees and letter of comfort fees to its subsidiaries. Accordingly, other income and tax expense (including interest) for the quarter and year ended March 31, 2022 includes an amount of ₹ 37.53 crores and ₹ 25.38 crores respectively for the earlier periods of which ₹ 31.86 crores and ₹ 23.95 crores respectively, is for the previous years.



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# TATA COMMUNICATIONS LIMITED

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

(₹ in crores)

<b>D. STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022</b>				
Particulars	For the quarter ended			For the year ended
	June 30 2022	March 31 2022	June 30 2021	March 31 2022
	(Unaudited)	(Refer note 2)	(Unaudited)	(Audited)
<b>1 Income from operations</b>	4,310.52	4,263.03	4,102.79	16,724.73
2 Other income, net	233.99	263.52	13.35	332.09
<b>3 Total income (1 + 2)</b>	<b>4,544.51</b>	<b>4,526.55</b>	<b>4,116.14</b>	<b>17,056.82</b>
<b>4 Expenses</b>				
a. Network and transmission expense	1,558.00	1,540.39	1,561.89	6,199.49
b. Employee benefits expense	806.67	768.38	809.69	3,040.34
c. Finance costs	79.90	89.77	96.21	360.25
d. Depreciation and amortisation expense	536.86	588.72	531.76	2,204.54
e. Other expenses	868.82	908.92	745.16	3,258.18
<b>Total expenses (4a to 4e)</b>	<b>3,850.25</b>	<b>3,896.18</b>	<b>3,744.71</b>	<b>15,062.80</b>
5 Profit/(loss) before exceptional items, tax & share in profit/(loss) of associates (3 - 4)	694.26	630.37	371.43	1,994.02
6 Exceptional items (Refer note 3)	-	(20.89)	5.62	5.96
<b>7 Profit/(loss) before tax and share in profit/(loss) of associates (5 + 6)</b>	<b>694.26</b>	<b>609.48</b>	<b>377.05</b>	<b>1,999.98</b>
8 Tax expense/ (benefit): (Refer note 6)				
a. Current tax	163.91	122.02	93.84	431.31
b. Deferred tax	(4.77)	121.25	(14.57)	90.82
<b>9 Profit/(loss) before share in profit/(loss) of associates (7 - 8)</b>	<b>535.12</b>	<b>366.21</b>	<b>297.78</b>	<b>1,477.85</b>
10 Share in Profit/(Loss) of associates	9.70	2.46	(0.88)	6.82
<b>11 Profit for the period (9 + 10)</b>	<b>544.82</b>	<b>368.67</b>	<b>296.90</b>	<b>1,484.67</b>
<b>Attributable to:</b>				
Equity holders of the parent	543.76	365.06	296.11	1,481.76
Non-controlling interest	1.06	3.61	0.79	2.91
12 Other Comprehensive Income/(loss) (net of tax)	(318.63)	(64.92)	(177.88)	(270.63)
<b>13 Total Comprehensive income (11+12)</b>	<b>226.19</b>	<b>303.75</b>	<b>119.02</b>	<b>1,214.04</b>
<b>Attributable to:</b>				
Equity holders of the parent	225.13	300.14	118.23	1,211.13
Non-controlling interest	1.06	3.61	0.79	2.91
14 Paid up equity share capital (Face value of ₹10 per share)	285.00	285.00	285.00	285.00
15 Reserves excluding Revaluation reserve				436.53
16 Earnings per share (of ₹ 10/- each) (not annualised)				
Basic and diluted earnings per share (₹)	19.08	12.81	10.39	51.99



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### E. Consolidated Business Segment Information:

#### i. Consolidated Segment wise revenue and results:

(₹ in crores)

Particulars	For the quarter ended			For the year ended
	June 30 2022	March 31 2022	June 30 2021	March 31 2022
	(Unaudited)	(Refer note 2)	(Unaudited)	(Audited)
<b><u>Income from operations</u></b>				
Voice Solutions	561.40	536.93	589.18	2,286.36
Data Services	3,353.44	3,316.00	3,121.92	12,842.06
Payment Solutions	43.99	42.56	37.58	164.60
Transformation Services	345.29	364.32	350.50	1,411.41
Real Estate	51.20	51.19	42.78	192.94
Less: Inter Segment Revenue	(44.80)	(47.97)	(39.17)	(172.64)
<b>Total</b>	<b>4,310.52</b>	<b>4,263.03</b>	<b>4,102.79</b>	<b>16,724.73</b>
<b><u>Segment result</u></b>				
Voice Solutions	52.27	24.13	19.94	120.07
Data Services	465.55	403.78	422.54	1,888.72
Payment Solutions	(16.17)	(17.05)	(10.33)	(60.23)
Transformation Services	8.60	14.12	(4.93)	(49.16)
Real Estate	29.92	31.64	27.07	122.78
<b>Total</b>	<b>540.17</b>	<b>456.62</b>	<b>454.29</b>	<b>2,022.18</b>
Less:				
(i) Finance Costs	79.90	89.77	96.21	360.25
(ii) Other un-allocable (income) net of un-allocable expenditure	(233.99)	(242.63)	(18.97)	(338.05)
<b>Profit before tax</b>	<b>694.26</b>	<b>609.48</b>	<b>377.05</b>	<b>1,999.98</b>





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### ii. Consolidated Segment Assets and Liabilities:

(₹ in crores)

Particulars	As at		
	June 30 2022	March 31 2022	June 30 2021
	(Unaudited)	(Audited)	(Unaudited)
<b>Segment Assets</b>			
Voice Solutions	408.99	313.51	407.65
Data Services	13,951.37	13,543.53	14,076.67
Payment Solutions	253.98	257.41	286.73
Transformation Services	499.84	633.70	645.01
Real Estate	426.52	420.36	409.59
	<b>15,540.70</b>	<b>15,168.51</b>	<b>15,825.65</b>
Unallocated Assets	4,614.24	4,499.46	4,985.13
<b>Total Segment Assets</b>	<b>20,154.94</b>	<b>19,667.97</b>	<b>20,810.78</b>
<b>Segment Liabilities</b>			
Voice Solutions	497.35	525.93	620.46
Data Services	8,923.25	8,517.40	8,764.13
Payment Solutions	260.02	251.10	211.13
Transformation Services	343.57	386.86	373.00
Real Estate	102.87	96.87	82.40
	<b>10,127.06</b>	<b>9,778.16</b>	<b>10,051.12</b>
Unallocated Liabilities	9,438.46	8,933.73	10,897.88
<b>Total Segment Liabilities</b>	<b>19,565.52</b>	<b>18,711.89</b>	<b>20,949.00</b>

### iii. Notes to Segments:

The Group's (the Company and its subsidiaries together referred to as "the Group") operating segments comprise of Voice Solutions, Data Services, Payment Solutions, Transformation services and Real Estate. The composition of the operating segments is as follows:

Voice Solutions includes International and National Long Distance Voice services.

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

Payment Solutions includes end-to-end ATM deployment, end-to-end POS enablement, hosted core banking, end to end financial inclusion and card issuance and related managed services and switching services to banking sector carried out by the Company's wholly owned subsidiary Tata Communications Payment Solutions Limited.

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

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



## TATA COMMUNICATIONS

### Notes to consolidated financial results:

- The above consolidated unaudited results of the Group for the quarter ended June 30, 2022 have been subjected to a limited review by the statutory auditors. These results have been reviewed by the audit committee and taken on record and approved by the Board of Directors at their meeting held on July 20, 2022.
- The figures of the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the published figures of nine months ended December 31, 2021, which were subjected to limited review by the statutory auditors.
- Details of exceptional items are listed below

Particulars	For the quarter ended			(₹ in crores)
	June 30 2022	March 31 2022	June 30 2021	For the year ended March 31 2022
1. Staff cost optimization (Refer note a)	-	15.09	5.62	31.86
2. Insurance claim (Refer note b)	-	-	-	10.08
3. Provision for Litigation (Refer note c)	-	(35.98)	-	(35.98)
<b>Total</b>	-	<b>(20.89)</b>	<b>5.62</b>	<b>5.96</b>

- The Group has reversed certain provisions with respect to Staff cost optimization based on final settlement.
  - During the year ended March 31, 2022, the Group recognised an amount of ₹ 10.08 crores based on final settlement of the claim against loss caused due to malfunctioning of the fire suppression system in earlier years.
  - During the quarter and year ended March 31, 2022, basis management assessment the Group made a provision of ₹ 35.98 crores against a pending litigation in one of its international subsidiary.
- During the quarter ended September 30, 2019, the Company had received demands from Department of Telecommunications (DOT) aggregating to ₹ 6,633.43 crores towards License Fee on its Adjusted Gross Revenue (AGR) for the financial years 2006-07 till 2017-18.

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

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



## TATA COMMUNICATIONS

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

5. During the year ended March 31, 2020, a subsidiary domiciled abroad, received a final VAT assessment from VAT authorities for ₹ 127.51 crores (EUR 15.5 Mn) and a final penalty assessment of ₹ 148.86 crores (EUR 18.1 Mn) was also received. On July 1, 2020, the Group filed its grounds for appeal with the Economic Administrative Court towards the final VAT and penalty assessments. On March 29, 2022, the Economic Administrative Court notified its resolution, finding against the Group and dismissing the appeal against the VAT and penalty assessments. The Group lodged a contentious-administrative appeal before the National Court on May 24, 2022. Additionally, the Group filed a request for the suspension of the tax and penalty assessments pending the appeal. Subsequent to the quarter ended June 30, 2022, the Group received notification from the National Court that the appeal has been admitted for processing, imposing a September 9, 2022 deadline for the Group to file its' substantive claim. The Group also received notification from National Court conditionally granting the requested suspension of the tax and penalty assessment payment. The Group must provide a certificate from the STA confirming the economic sufficiency, validity, and extension of the bank guarantee provided in the previous economic-administrative proceedings and an additional bank guarantee with respect to the penalty assessment. The Group believes that there are grounds to defend its position.
6. During the quarter ended March 31, 2022, pursuant to the conclusion of agreement between the Company and Central Board of Direct Taxes, the Company had charged incremental guarantee fees and letter of comfort fees to its subsidiaries. Accordingly, tax expense (including interest) for the quarter and year ended March 31, 2022 includes an amount of ₹ 25.38 crores for the earlier periods of which ₹ 23.95 crores is for the previous years.

For TATA COMMUNICATIONS LIMITED

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SWAMINATHAN  
LAKSHMINARAYANA  
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AMUR SWAMINATHAN  
LAKSHMINARAYANAN

Place: Mumbai  
Date: July 20, 2022

A. S. LAKSHMINARAYANAN  
MANAGING DIRECTOR & CEO

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

**Review Report to  
The Board of Directors  
Tata Communications Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Tata Communications Limited (the "Company") for the quarter ended June 30, 2022 and year to date from April 01, 2022 to June 30, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. As fully discussed in note 4 to the standalone financial results for the quarter and period ended June 30, 2022, the Company had received demands dated September 12, 2019 from Department of Telecommunications (DoT) towards license fee on its Adjusted Gross Revenue (AGR) for FY 2006-07 to 2017-18, for Rs 6,633.43 crores. Of this amount, the Company has provided Rs 337.17 crores with respect to the demand of Rs 5,433.70 crores and believes that the likelihood of the balance demand Rs 5,096.53 crores materializing is remote. Further, the Company has disclosed the demand of Rs 1,199.73 crores as part of contingent liability. Also, pending clarification on the new AGR definition from the DOT, the Company has considered its non-licenced services outside the purview of the revised AGR definition effective October 1, 2021. The Company believes that it has grounds to defend its above positions and has also obtained independent legal opinions in this regard. Our conclusion is not modified in this regard.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Tata Communications Limited  
Limited Review Report – June 30, 2022

6. We draw attention to note 5 of the standalone financial results, regarding the impact of COVID-19 and its consequential impact on management's assessment of the key assumptions related to recoverability of the carrying value of investment in Tata Communications Payment Solutions Limited of Rs 1,053.04 crores. Our conclusion is not modified in this regard.

## For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

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email=hormuz.master@srb.in  
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per Hormuz Master

Partner

Membership No.: 110797

UDIN: 22110797ANGQRU9619

Mumbai

July 20, 2022

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

**Review Report to  
The Board of Directors  
Tata Communications Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Tata Communications Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates for the quarter ended June 30, 2022 and year to date from April 01, 2022 to June 30, 2022 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. The Statement includes the results of the entities as referred to in the Annexure.



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditor referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. As fully discussed in note 4 to the consolidated financial results for the quarter ended June 30, 2022, the Holding Company had received demands dated September 12, 2019 from Department of Telecommunications (DoT) towards license fee on its Adjusted Gross Revenue (AGR) for FY 2006-07 to 2017-18, for Rs 6,633.43 crores. Of this amount, the Holding Company has provided Rs 337.17 crores with respect to the demand of Rs 5,433.70 crores and believes that the likelihood of the balance demand of Rs 5,096.53 crores materializing is remote. Further, the Holding Company has disclosed the demand of Rs 1,199.73 crores as part of contingent liability. Also, pending clarification on the new AGR definition from the DOT, the Holding Company has considered its non-licensed services outside the purview of the revised AGR definition effective October 1, 2021. The Holding Company believes that it has grounds to defend its position and has also obtained a legal opinion in this regard. Our conclusion is not modified in this regard.
7. We draw attention to note 5 to the consolidated financial results for the quarter and period ended June 30, 2022, which describes the uncertainty related to the outcome of the ongoing tax litigation of Rs. 276.37 crores, in one of the subsidiaries of the Group. The Group is confident of defending its position and has obtained legal opinion in this regard. Our conclusion is not modified in this regard.
8. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of a subsidiary, whose unaudited interim financial results include total revenues of Rs 16.66 crores, total net profit after tax of Rs 5.45 crores and total comprehensive income of Rs 7.12 crores, for the quarter and period ended June 30, 2022, as considered in the Statement which have been reviewed by their respective independent auditor. The independent auditor's report on interim financial results of this entity have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of this subsidiary is based solely on the report of such auditor and procedures performed by us as stated in paragraph 3 above.
9. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of two subsidiaries, whose interim financial results and other financial information reflect total revenues of Rs. 14.67 crores, total net profit after tax of Rs. 1.41 crores and total comprehensive income of Rs. 1.45 crores for the quarter and period ended June 30, 2022 and three associates whose interim financial results includes the Group's share of net profit of Rs. 9.70 cores and Group's share of total comprehensive income of Rs. 9.67 crores for the quarter and period ended June 30, 2022. The unaudited interim financial results and other unaudited financial information of these subsidiaries and associates have not been reviewed by their auditors and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries and associates, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Tata Communications Limited  
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Our conclusion on the Statement in respect of matters stated in para 8 and 9 above is not modified with respect to our reliance on the work done and the report of the other auditor and the financial results and other financial information approved and furnished to us by the Management.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**ICAI Firm registration number: 101049W/E300004**

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MASTER, c=IN, o=Personal,  
email=hormuz.master@srb.in  
Date: 2022.07.20 15:19:46 +05'30'



**per Hormuz Master**

Partner

Membership No.: 110797

UDIN: 22110797ANGTQG4153

Mumbai

July 20, 2022



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

**List of Subsidiaries and Associates**

Subsidiaries

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



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Tata Communications Limited  
Limited Review Report – June 30, 2022

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

## Associates

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

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PRESS RELEASE

## Tata Communications delivers profitable growth

**Consolidated EBITDA enhanced +9.2% YoY**

**Mumbai – 20<sup>th</sup> July 2022** - Tata Communications, a global digital ecosystem enabler, today announces its financial results for the quarter ended 30<sup>th</sup> June 2022.

### Highlights | Q1 FY2023

#### Consolidated financial highlights

- Consolidated revenue stood at INR 4,311 crore (USD 558.9 Mn); increasing +5.1% YoY. Sequentially, growth in revenue followed upsides in the Data business
- Consolidated EBITDA came in at INR 1,077 crore (USD 139.7 Mn); enhanced +9.2% YoY, where margins stood at 25%, growing by 95 Bps YoY
- Consolidated PAT stood at INR 544 crore (USD 70.5 Mn) from INR 296 crore (USD 40.1 Mn) in Q1 FY22, marking an increase of +83.6% YoY
- Cash CAPEX for this quarter stood at USD 42.7 Mn relative to USD 46.2 Mn in Q1 FY22

**₹ 4,311 Cr**  
Consolidated Revenue

**₹ 1,077 Cr**  
Consolidated EBITDA

Consolidated Nos.	INR Crore	QoQ Growth	YoY Growth
Gross Revenue	4,311	1.1%	5.1%
EBITDA	1,077	3%	9.2%
EBITDA Margin	25%	46 Bps	95 Bps
PAT	544	49%	83.6%

#### Data services portfolio

- Data business revenues came in at INR 3,340 crore (USD 433.1 Mn), recording an increase of +7.6% YoY. Digital Platforms and Services delivered robust growth of +12.3% YoY
- EBITDA stood at INR 969 crore (USD 125.7 Mn), up +4% YoY backed by consistent delivery in Core Connectivity and Digital Platforms and Services
- The Core Connectivity portfolio reported growth of +3.6% YoY in revenue; EBITDA enhanced by +2.6% YoY, with margins coming in at 42.5%

Announcing the quarter results, A.S. Lakshminarayanan, MD and CEO, Tata Communications, said, “We delivered a profitable data revenue growth as a result of disciplined execution, portfolio enhancements and deeper customer engagements. We continue to closely monitor and overcome the OEM and Supply Chain challenges. We are pleased with the healthy growth in the order booking and funnel additions across our portfolio, both in India and international markets.”

Commenting on the results, Kabir Ahmed Shakir, Chief Financial Officer, Tata Communications, said, “We continue to maintain our focus on operational efficiencies and balance sheet hygiene which is reflected in our profitability and cash flow. We are pleased to see a strong impact of our finance strategy in the company’s performance.”

An investor fact sheet providing detailed analysis of the results for the quarter and full year ended 30<sup>th</sup> June 2022 has been uploaded on the Tata Communications website and can be accessed [here](#).

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**Media Contact**

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

**Investor Contact:**

Chirag Jain  
Tata Communications  
+91 9597370559  
chirag.jain@tatacommunications.com

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**About Tata Communications**

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



**Forward-looking and cautionary statements**

Certain words and statements in this release concerning Tata Communications and its prospects, and other statements, including those relating to Tata Communications’ expected financial position, business strategy, the future development of Tata Communications’ operations, and the general economy in India, are forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors, including financial, regulatory and environmental, as well as those relating to industry growth and trend projections, which may cause actual results, performance or achievements of Tata Communications, or industry results, to differ materially from those expressed or implied by such forward-looking statements. The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, failure to increase the volume of traffic on Tata Communications’ network; failure to develop new products and services that meet customer demands and generate acceptable margins; failure to successfully complete commercial testing of new technology and information systems to support new products and services, including voice transmission services; failure to stabilize or reduce the rate of price compression on certain of the company’s communications services; failure to integrate strategic acquisitions and changes in government policies or regulations of India and, in particular, changes relating to the administration of Tata Communications’ industry; and, in general, the economic, business and credit conditions in India. Additional factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements, many of which are not in Tata Communications’ control, include, but are not limited to, those risk factors discussed in Tata Communications Limited’s Annual Reports.

The Annual Reports of Tata Communications Limited are available at [www.tatacommunications.com](http://www.tatacommunications.com). Tata Communications is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements.

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