



HQ/CS/CL.24B/14033  
31 May 2010

Sir,

Sub: Information regarding Audited Financial Results for the Financial Year ended 31 March 2010.

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Pursuant to clause 41 of the listing agreement with Indian Stock Exchanges, please find sent herewith the Audited Financial Results for the Financial Year ended 31 March 2010 according to Indian GAAP, which have been approved by the Board of Directors at their 195th meeting held on 31 May 2010 (**Attachment "A"**). The Board of Directors have recommended **NIL** dividend for the Financial Year 2009-10.

Thanking you,

Yours faithfully,  
For Tata Communications Limited

Rishabh Aditya  
Deputy Company Secretary & VP

To

- 1) Security Code 23624, The Stock Exchange, Mumbai. Fax No.(22) 22722037,39,41
- 2) Security Code 5251, The Asst. Manager (Listing), National Stock Exchange of India Limited. Fax Nos.: (22) 26598237/38.
- 3) National Securities Depository Ltd. Fax Nos. : 2497 29 93.
- 4) The Bank of New York. Fax No.2204 49 42.
- 5) Sharepro Services. Fax No. 2837 5646
- 6) Marc H. Iyeki, Director, New York Stock Exchange, Fax No: (212) 656-5071 /72 / Managing Director, New York Stock Exchange, Fax No: (212) 265-2016
- 7) Central Depository Services (India) Limited. Fax : 2267 3199.
- 8) Mr. R. Gangadharan for SEC information requirements.

**TATA COMMUNICATIONS**

Tata Communications Limited

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Tel 91 22 6657 8765 Fax 91 22 6639 5162 website www.tatacommunications.com



# TATA COMMUNICATIONS LIMITED

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

## A. AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2010

(Rs. In lakhs)

	Particulars	Stand alone		Consolidated	
		March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
1	Revenues from Telecommunication and Other Services	321,804	374,943	1,102,556	996,317
2	Expenditure				
	a. Network Costs	141,504	176,137	646,899	530,022
	b. Operating and Other Expenses	63,812	78,602	200,709	205,690
	c. Salaries and Related Costs	41,844	35,553	153,712	124,018
	d. Depreciation and Amortisation	57,473	42,527	151,080	110,227
	e. Total Expenditure (2a to 2d)	304,633	332,819	1,152,400	969,957
3	Profit / (Loss) from Operations before Other Income, Interest and Exceptional Items (1 - 2)	17,171	42,124	(49,844)	26,360
4	Other Income (net)	12,575	16,982	11,953	19,398
5	Profit / (Loss) before Interest and Exceptional Items (3 + 4)	29,746	59,106	(37,891)	45,758
6	Interest (net)	20,641	12,862	52,056	30,130
7	Profit / (Loss) after Interest but before Exceptional Items (5 - 6)	9,105	46,244	(89,947)	15,628
8	Exceptional Items: Expense / (Income)				
	a. Claim Settlement	-	9,560	-	9,560
	b. Profit on sale of long term Investment	-	(34,665)	-	(36,208)
	c. Interest on Income Tax Refund	(21,828)	-	(21,828)	-
9	Profit / (Loss) from Ordinary Activities before Tax (7-8)	30,933	71,349	(68,119)	42,276
10	Tax Expense	(17,385)	19,754	(14,239)	23,073
11	Net Profit / (Loss) from Ordinary Activities after Tax (9 - 10)	48,318	51,595	(53,880)	19,203
12	Extraordinary Items (net of Tax Expense)	-	-	-	-
13	Net Profit / (Loss) before Minority Interest and Associate Loss (11 - 12)	48,318	51,595	(53,880)	19,203
14	Minority Interest	-	-	8,860	13,178
15	Share in Loss of Associates	-	-	(14,754)	(801)
16	Net Profit / (Loss) (13+14+15)	48,318	51,595	(59,774)	31,580

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17	Paid up Equity Share Capital (Face value of Rs.10 per share)	28,500	28,500	28,500	28,500
18	Reserves excluding Revaluation Reserve	678,854	630,536	-	-
19	Earnings Per Share (EPS) Basic and diluted earnings per share before and after Extraordinary Items (Rs.)	16.95	18.10	(20.97)	11.08
20	Aggregate of public shareholding	46,653,301	43,003,978		
	a. Number of shares				
	b. Percentage of shareholding	16.37	15.09		
21	Promoters and Promoter Group Shareholding				
	a. Pledged / Encumbered				
	- Number of Shares	34,000,000	30,000,000		
	- Percentage of Shares (as a % of the total shareholding of promoters and promoter group)	15.67	13.81		
	- Percentage of Shares (as a % of the total share capital of the Company)	11.93	10.53		
	b. Non-encumbered				
	- Number of Shares	183,028,873	180,207,342		
	- Percentage of Shares (as a % of the total shareholding of promoters and promoter group)	84.33	86.19		
	- Percentage of Shares (as a % of the total share capital of the Company)	64.22	65.69		
22	Debt Service Coverage Ratio (DSCR) DSCR = (Profit from Ordinary Activities before Tax and Exceptional Items + Interest on Long-Term Loans) / (Interest on long Term Loans + Repayment of Long-Term Loans during the year)*	1.35	1.22		
23	Interest Service Coverage Ration (ISCR) ISCR = (Profit from Ordinary Activities before Tax and Exceptional Items + Interest on Long-Term Loans)/ Interest on Long-Term Loans*	1.41	4.84		

\* For the purpose of the computation, Loans having original maturity of more than 360 days are considered as Long-Term Loans.

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**B. Stand alone Segment Information:****Business Segments:**

(Rs. in lakhs)

Particulars	For the year ended March 31,	
	2010	2009
<b>Revenues from Telecommunication and Other Services</b>		
Wholesale Voice	124,701	174,059
Enterprise and Carrier Data	132,263	145,046
Others	64,840	55,838
<b>Total</b>	<b>321,804</b>	<b>374,943</b>
<b>Segment result</b>		
Wholesale Voice	25,309	33,052
Enterprise and Carrier Data	111,760	113,129
Others	36,286	34,184
<b>Total</b>	<b>173,355</b>	<b>180,365</b>
Less:		
(i) Interest Cost (net)	20,641	12,862
(ii) Other Unallocable Expenses (net)	143,609	121,259
<b>Profit before Taxes and Exceptional Items</b>	<b>9,105</b>	<b>46,244</b>
Exceptional Expenses / (Income) (net)	(21,828)	(25,105)
<b>Profit before Taxes</b>	<b>30,933</b>	<b>71,349</b>
Tax Expense	(17,385)	19,754
<b>Net Profit</b>	<b>48,318</b>	<b>51,595</b>

**Notes to Segments:**

The Company's reportable segments are Wholesale Voice, Enterprise and Carrier Data and Others .

Revenues and expenses, which are directly identifiable to the segments, are attributed to the relevant segment. Expenses on rent of satellite channels and landlines, and royalty and licence fee are allocated on the basis of usage. Segment result is segment revenues less segment expenses. Certain costs, including depreciation which are not allocable to segments have been classified as "Other unallocable expenses (net)".

Telecommunication services are provided utilizing the Company's assets and related liabilities which do not generally make a distinction between the types of services. As a result, fixed assets are used interchangeably between segments. In the absence of a meaningful basis, assets and liabilities cannot be allocated between segments.

**Notes:**

1. The above results of the Company for the year ended March 31, 2010 have been audited by the statutory auditors, recommended by the audit committee and were taken on record and approved by the Board of Directors at their meeting held on May 31, 2010.
2. Other Income includes exchange loss (net) of Rs.1,228 lakhs (previous year gain (net) of Rs.4,656 lakhs) and exchange loss (net) of Rs. 1,653 lakhs (previous year loss (net) of Rs. 1,630 lakhs) for stand alone and consolidated results respectively.
3. Tax Expense is net of provision reversed pertaining to financial year 1993 - 94 pursuant to the favourable order received from Income Tax Appellate Tribunal (ITAT). Consequently, the Company has written back tax provision of Rs. 28,001 lakhs.
4. The consolidated loss for the year includes:
  - a. Loss of Rs. 46,430 lakhs (previous year loss of Rs. 13,307 lakhs) for the Company's effective holding in Neotel Pty Ltd., South Africa. The Company's effective share holding in Neotel is 49.01% for 12 months in the current year as against 22.01% for 10 months and 49.01% for 2 months in the previous year
  - b. The Depreciation for the current year has increased by Rs. 40,853 lakhs consequent to significant amount of capitalization done over the last two years.
  - c. Provision for retirals has increased by Rs.16,131 lakhs consequent to changes in actuarial assumptions in its overseas subsidiaries and changes of Gratuity provisions in India
5. The previous year's figures have been regrouped and reclassified wherever necessary to make them comparable with the current year's figures.
6. Investor Complaint status:

Outstanding as on January 01, 2010	Total received during the quarter ended March 31, 2010	Total resolved during the quarter ended March 31, 2010	Outstanding as on March 31, 2010
Nil	1	1	Nil

For TATA COMMUNICATIONS LIMITED

N. SRINATH  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICERPlace : Mumbai.  
Date : May 31, 2010