
Quarterly report on the results for the quarter ended September 30, 2018

Tata Communications Limited

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Supplemental Disclosures

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A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.

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Use of Certain Non-GAAP measures: - This result announcement contains certain information on the Company's results of operations that have been derived from amounts calculated in accordance with Indian Accounting Standards (INDAS), but are not in themselves GAAP measures. They should not be viewed in isolation as alternatives to the equivalent INDAS measures and should be read in conjunction with the equivalent INDAS measures.

Disclaimer: - This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.

TABLE OF CONTENTS

Section 1	Tata Communications – Performance at a glance	4
Section 2	An Overview	5
Section 3	Management Discussion & Analysis	10
3.1	Results of Operations	10
Section 4	Financial Highlights	11
4.1	Summary of Core Financial Statements	11
4.2	Summary of Segments – Statement of Operations	12
Section 5	Operating Highlights	14
Section 6	Stock Market Highlights	18
Section 7	Detailed Financial and Related Information	20
Section 8	Glossary	22

Section 1**TATA COMMUNICATIONS – PERFORMANCE AT A GLANCE**

Particulars	UNITS	Full Year Ended			Quarter Ended				
		2016	2017	2018	Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
<u>Core Operating Highlights</u>									
95 th Percentile Bandwidth Usage	Tbps/month	8.67	8.95	9.73	8.64	9.1	9.73	9.74	11.00
Data Revenue by Segment									
Service Provider	%	42.0%	42.4%	42.7%	43.0%	43.0%	42.0%	41.0%	41.0%
Enterprise	%	58.0%	57.6%	57.3%	57.0%	57.0%	58.0%	59.0%	59.0%
Data Revenue by Line of Business									
Traditional Services	%	76.0%	71.4%	67.6%	67.9%	67.1%	65.2%	66.8%	65.6%
Growth & Innovation Service	%	12.5%	15.8%	19.5%	19.6%	19.9%	21.4%	20.5%	22.3%
Rentals	%	n/a	n/a	1.1%	1.1%	1.0%	1.1%	1.1%	1.0%
Subsidiaries	%	11.5%	12.8%	11.9%	11.4%	11.9%	12.3%	11.6%	11.1%
Total Voice Minutes	Bn, Minutes	43.1	42.9	39.4	10.5	9.2	8.9	8.7	7.7
International Long Distance	Bn, Minutes	40	38.6	35.4	9.7	8.2	7.7	7.9	6.9
National Long Distance	Bn, Minutes	3.1	4.3	3.9	0.8	1.0	1.2	0.8	0.8
<u>Core Financials</u>									
Gross Revenue	₹, Mn	186,529	176,200	167,717	42,475	40,554	41,294	39,437	40,682
Net Revenue	₹, Mn	86,013	83,928	85,352	21,309	21,518	21,337	20,968	22,214
EBITDA	₹, Mn	27,470	23,600	24,122	5,941	6,430	5,870	5,869	6,302
EBIT	₹, Mn	7,584	4,943	5,059	1,105	1,702	818	1,020	1,296
Profit Before Tax	₹, Mn	4,448	(5301)	456	(1912)	1245	301	41	419
Profit After Tax	₹, Mn	1,909	(7640)	(3286)	(2501)	102	(1210)	(585)	16
Capex	₹, Mn	17,184	15,879	15,147	4,827	3,703	3,327	4,837	4,578
Free Cash Flow	₹, Mn	10,286	7,721	8,975	1,114	2,727	2,543	1,031	1,724
Total Capital Employed	₹, Mn	94,137	90,547	80,010	85,072	87,591	80,009	88,433	87,267
Net Debt / (Net Cash)	₹, Mn	95,225	74,628	75,016	78,945	80,046	75,016	86,915	90,748
<u>Key Ratios</u>									
EBITDA Margin	%	14.7%	13.4%	14.4%	14.0%	15.9%	14.2%	14.9%	15.5%
EBIT Margin	%	4.1%	2.8%	3.0%	2.6%	4.2%	2.0%	2.6%	3.2%
Net Profit Margin	%	1.0%	(4.3%)	(2.0%)	(5.9%)	0.3%	(2.9%)	(1.5%)	0.0%
Net Debt to EBITDA (LTM)	Times	3.5	3.2	3.1	3.5	3.4	3.1	3.6	3.7
Weighted Average Cost of Debt	%	3.41%	3.12%	3.50%	3.30%	3.60%	3.87%	3.59%	3.67%
Interest Coverage Ratio (LTM)	Times	1.84	1.34	1.47	0.95	1.37	1.47	1.29	1.31
Return on Capital Employed	%	8.1%	5.5%	6.3%	3.8%	5.2%	6.3%	5.3%	5.5%
<u>Valuation Indicators</u>									
Market Capitalisation	₹, Bn	107.62	205.78	176.74	195.3	194.24	176.74	176.56	142.64
Enterprise Value	₹, Bn	223.13	280.41	251.76	274.24	274.29	251.76	264.99	233.39
EV / EBITDA (LTM)	Times	7.20	11.88	10.99	12.66	12.29	10.99	11.58	9.54

Section 2

AN OVERVIEW

2.1 Company Overview

Tata Communications is the leading global provider of a 'new world of communications'. With a leadership position in emerging markets, and an infrastructure that spans the globe, Tata Communications leverages its advanced solutions capabilities and domain expertise across its global network to deliver managed solutions to multinational companies and service providers. We're proud to provide 66% of the Fortune 500 companies with our state-of-the-art solutions, including a wide range of communication, collaboration, cloud, mobility, network and data center services.

The Tata Communications global network includes one of the most advanced and largest submarine cable networks. We are in the Top 5 IP providers on 5 continents and offer public and private network connectivity to more than 240 countries and territories. Our major service/solutions are Network engineering, development & management, Unified Communication & Collaboration solutions such as video, audio and web conferencing, in addition to an array of Data Center, Cloud and Security Services."

Products, Services, and Solutions

Every industry is going through profound upheavals as digital technology rapidly and radically transforms how business engages with the marketplace and all stakeholders. IT decision makers have started leveraging the growing sophistication of hybrid solutions to re-engineer IT economics, liberate more funds for innovation and enhance core business processes. This trend is driving greater demands for higher level performance from ICT providers. Whether it be mature enterprises looking to transform themselves or start up enterprises creating new products and services.

Tata Communications' portfolio of products, services and solutions have been uniquely designed to deliver these new levels of performance and is based on following fundamentals of our business strategy 2.0 roadmap.

Our offerings enable information and computing to work smarter and harder for the business users. Wherever they are. Whenever they need it. We put into their hands a unique range of performance technologies from our "best in class" platforms such as the world's only global Tier 1 infrastructure and IZO Cloud Enablement to 'industry specific' solutions for businesses be it manufacturing, media, BFSI or E-commerce industries.

Tata Communications categorizes its offerings into 2 major groupings: Data and Voice. In addition to these books of business we also have an ATM network subsidiary in India (Tata Communications Payment

Solutions Ltd.) and a network management outsourcing subsidiary that supports global service providers (Tata Communications Transformation Services Ltd.)

Data Services: Enterprises are evolving their enterprise networks to deal with business communication transformations. This is driven by advances in Cloud computing, the Internet of Everything, Smartphone proliferation for both consumer and enterprise uses, tighter supply chain integration/automation, and providing richer and more agile connections with their customers and partners.

Network Services: Our service offering includes a comprehensive selection of networking services including IZO™ Internet WAN, IZO Private Connect, IZO Public Connect enabling enterprise cloud adoption and core network services including WAN Ethernet, Global VPN and International private lines spanning over 100 countries. On the Internet, we're a major Tier-1 IP provider, consistently ranked in the top five telecommunications companies on five continents, by internet route. In fact, we handle more than 24% of the global internet route, totaling more than 7,300 petabytes a month. Our infrastructure features the world's largest wholly-owned subsea cable network, 4th largest tier 1 IPv6 enabled internet and backbone, and the most extensive reach into the emerging markets around the world. So, no matter where in the world your business takes you, we're there to provide the connectivity services you need.

Unified Communications and Collaboration (UCC): With our modular portfolio of Unified Communications (UC) services we help companies leverage their existing assets while enabling an advanced, future-proof UC strategy that delivers seamless connectivity and a globally consistent experience for internal teams, customers, partners and other external constituents. Our UCC portfolio includes Global SIP Connect, UCaaS Skype for Business and managed video services, cloud contact center, unified conferencing including WebEx CCA in collaboration with Cisco, and real time communication APIs. Our UCaaS proposition helps our clients chart their own journey looking at where they currently stand and the transformation required to implement their step-wise UCC strategy.

Cloud, Hosting and Data Centre Services: With over 1 million square feet of collocation space in 44 locations worldwide and global partnership to extend our reach and capacity, our portfolio offers access to Colocation, Dedicated Hosting, Virtualization, IZO Private Cloud and IZO Cloud Storage solutions: a single pathway to managing multiple complex workloads and computing environments, with an integrated view. Getting the right

Cloud and Data Centre solution often means contracting and coordinating with multiple suppliers around the world, working through layers of complexity and ultimately incurring additional costs. Our portfolio offers a flexible and cost efficient compute and storage options to meet the ever-growing needs of our clients.

Managed Security Services: As more cloud based services are adopted, there is a growing threat to data security and privacy, which Tata Communications helps solve for its customers. Right from end-user authentication to security critical assets in Data Centres through firewalls and threat mitigation solutions, we offer comprehensive security services partnering with the best vendors in the business and a 24/7 proactive support through our Security Operations Center.

Media and Entertainment Services: Our 'Media Ecosystem' provides solutions for every kind of enterprise in all segments of media and entertainment, including gaming, sports, news, cable, and broadcasting. The Tata Communications' Media Ecosystem, combines its traditional video contribution services with IP-based connectivity to create a highly innovative cloud based global media platform. The global media ecosystem—first of its kind—provides a comprehensive solution that includes asset management, workflow management, channel origination, video contribution and distribution feeds, OTT platform as a service, Live OTT delivery and transcoding as service.

Customer Services: Customer services are a key differentiator in a crowded marketplace, and businesses are increasingly looking to outsource network and IT services to dedicated experts. Our best-in-class services support Tata Communications' entire product & service portfolio and we deliver value through a services portfolio that covers program management, service delivery, service management, advanced solutions delivery and other personalized support services. We are also championing the 'whatever it takes' philosophy within the Tata Communications services team to build a culture where we want to do the right things for the customer, where we're always flexible, always available, and always

positive. More than an SLA, it's a state of mind – constantly checking that we are doing everything within our power to help our customers.

Voice Services: In voice, we are the world's largest wholesale voice provider, carrying over a billion minutes a week. Through our 1600+ telecom partnerships our network handles 1 out of every 10 international calls and connects more than 70% of the world's mobile carriers. We also we offer a comprehensive portfolio of high-quality transport and termination services, including Voice Direct Transit and HD Voice.

Tata Communications - Core			
Data			Voice
<u>Traditional Services</u> <ul style="list-style-type: none"> - International Private Line - Ethernet Service - VPN - Internet Leased Line / DIA - Internet Protocol - Transit - Mobility 	<u>Growth Services</u> <ul style="list-style-type: none"> - UCC / SIP - Trunking - Managed Hosting - GHCC - V-Connect / Streaming - IZO - Managed Security Services 	<u>Innovation</u> <ul style="list-style-type: none"> - Mobile Innovation - IoT 	<u>Subsidiaries</u> <ul style="list-style-type: none"> - Tata Communications Transformation Services - Tata Communications Payment Solutions

2.2 Product Overview

Tata Communications' portfolio of products, services and solutions have been uniquely designed to deliver new levels of performance and connectivity. Major product offerings are:

- 1. International Private Line:** Tata Communications' International Private Line service offers greater diversity of route, uptime and multiple service options for all international and India data transport requirements, backed by the world's largest and most advanced cable system, owned and maintained by Tata Communications. It securely transfers voice, video and data on the access backed by reliable service, route diversity and industry-leading service level guarantees.
IPL is a Point to point dedicated bandwidth between two sites provided by a licensed international telecom operator to end-user customers, which crosses over one or more international boundaries.
- 2. Ethernet Service:** Tata Communications delivers certified dedicated Ethernet services using its reliable & protected network across the globe with unmatched SLA to connect point to point or point to multipoint locations within India or outside India.
It provides flexible bandwidth options with greater scalability option to cater to the dynamic business requirement for bandwidth.
- 3. Virtual Private Network:** Tata Communications' global VPN services provide MPLS based secure, cost-effective VPN solutions that enable seamless convergence of voice, data, video, and multimedia on a seamless global network reaching all major markets and maximum emerging markets.
Global VPN range of services help enterprises improve operational efficiencies and quality of service for basic, real-time and mission critical applications.
- 4. International Leased Line:** A single worldwide service providing un-contended, mission critical Internet access to Tier 1 global IP network for the customers.
With a IP Backbone of over 1600 Gbps which spans across six continents and peering of over 1400 Gbps with all major Service providers and Internet Exchanges across the globe, Tata communications is the only true global tier 1 ISP in India with 200+ Global point of presence.
With one of the biggest submarine cable capacities, the widespread network reach connects 6 continents. This allows diverse redundancy and protection capabilities to all the customers with Industry level SLA.
- 5. Direct Internet Access (DIA):** Tata Communications' Direct Internet Access provides easy and affordable Internet connections across customer's offices over Tier-1 global IP backbone with a single AS6453 in over 50 countries. We also

provide Internet access to emerging markets with extensive reach in India, China, and Africa.

- 6. IP Transit:** Tata Communications' IP Transit provides high speed, secure and reliable Internet connection via our Tier-1 global IP backbone reaching more than 230 global PoPs in over 30 countries. Together with the largest Internet backbone in India, our customers grow with optimal routing performance.
With over 230 Internet PoPs conveniently located in over 30 countries at carrier neutral Internet Exchanges (IX), we reduce access cost to the Internet. This is further enriched by our Indian Internet PoPs enabling reach to the explosive Internet growth in Asia, and over 3500Gbps peering connectivity with all other global Tier-1 ISPs.
This rides on Tata Global Network (TGN), world's first wholly owned fibre optic subsea cable network ring round the globe that spans 210,000 kilometers of terrestrial and 500,000 kilometers of subsea network.
- 7. Content Delivery Network:** Tata Communications' content delivery network or content distribution network (CDNs) is a cloud based solution that caches/stores customers content at locations around the globe and serves it to end user with a lightning speed.
CDN deployed over Tier -1 IP Network leveraging reach on to 200 countries and peering with leading ISP's across the globe to provide highest quality of user experience.
CDN helps to deliver streaming, online video platform, Electronic software delivery & whole site acceleration using global platform.
- 8. Mobility**

Voice – international voice wholesale, including support for LTE based voice services (Mobile VoIP, VoLTE and HD Voice).

Signaling (SCCP & Diameter) – The signaling services help in international roaming, our signaling services can be delivered over a number of network options, including TDM, IP, Global VPN, and IPX Connect (SCCP over IPX). Also supported is signaling evolution from SCCP to Diameter, including Sigtran, ready for IMS based services and for LTE roaming capabilities.

Mobile Messaging - our messaging network ensures delivery of quality application-to-person (A2P) messaging across the mobile ecosystem, including mobile network operators, SMS aggregators, enterprises and next generation service providers (OTT providers). Mobile Network Operators get protection from fraud, spam and grey routing, through working with Tata Communications as a single trusted source to help securely monetize A2P

message traffic termination and also through use of our comprehensive SMS Firewall.

IPX+ - a framework that lets MNOs support mobile applications with greater efficiency through a consolidated network, with optimal network utilization, simplified interconnect and managed service options. Voice, Signaling and Roaming services are integrated within the IPX+ framework, which includes support for LTE Roaming, VoLTE, HD voice, video and enablement solutions for real-time rich media applications.

Roaming - Combining our Diameter Signaling Exchange (DSX) platform together with IPX Connect service for 3G/4G data roaming, Tata Communications provides a comprehensive LTE roaming solution. We support 2G, 3G and 4G roaming within a single solution framework, which addresses signaling, steering, routing, inter-working, transport, clearing & settlement, business intelligence (Roampulse), security and service assurance for a successful LTE roaming launch.

9. **Unified Communications:** Tata Communications' Unified communications involves services for enterprise Voice, Video & Collaboration. Through UC portfolio Tata Communication provides; On premises & cloud based managed UC services. Unified Communications includes Video Conferencing, Jamvee (On Demand Video), Telepresence, Audio Conference, IP Telephony, Global SIP services, VOIP services, Toll Free no, Skype for Business, Contact Centre, Click2 RTC as Major services.
10. **SIP Trunking:** Tata Communications' systems are integrated with over 1600 carriers, 785 mobile providers and over 700 VoIP operators. Expansive reach is the best in the industry – via ITFS in 110+ countries, UIFN in 45+ countries and LNS (Local Number Services) in 62+ countries and 300+ cities. Global SIP Connect is a multimodal functionality which connects an enterprise to the world; over our state-of-the-art global IP network — making global voice and video communications and collaboration simpler, easier to manage, and more economical than ever before. Our new multimodal functionality is an industry first, enabling Global SIP Connect to transport enterprise video collaboration traffic on SIP trunks. It unifies voice and video services traffic on a single network access link.
11. **Managed Hosting:** Tata Communications' Managed hosting service is a fully managed IT Infrastructure solution integrated across Tata Communications Data Centers located globally. It includes designing Data Center Hardware, provisioning & managing the infrastructure with defined SLA for the Infrastructure till operating system.

This is an end to end service for the outsourcing of the Data center infrastructure by providing stringent Service level. It helps reduce the capex investment, technical obsolescence of the hardware & provides business continuity for the enterprise. The service is offered from the data centers which are connected over the secure MPLS network of Tata Communications & infrastructure is managed by the state of art SOC globally.

Hosting service comes in a form of dedicated, Virtualized, & Hybrid model.

12. **Global Hosted Contact Centre:** InstaCC Global, is a reliable and efficient cloud-based contact center solution that delivers a consistently excellent customer experience. It all comes in one easy-to-manage, cost-efficient package with a state-of-the-art physical transport infrastructure, a global MPLS network, and leading-edge voice, data center, and contact center applications. As a global leader in communications, we have everything that an enterprise needs, in place and ready to go on demand. We also give something no other provider can offer—a single, unified Service Level Agreement (SLA) for all voice, network, infrastructure, and application services. It's a complete, end-to-end, fully managed solution.
13. **Managed Security Service:** Tata Communications is offering Managed Security Services (MSS) to meet the operational security needs of customers across the globe. The services are managed by a team at the state of art Security Services Operations Center (SSOC) in Chennai, India. Tata Communications offers complete portfolio of security services with premise based & cloud based solutions offering which includes Firewall/UTM, WAF, Data Leak Protection(DLP), Proxy, DDoS, Two Factor Authentication, IDS-IPS, Vulnerability-Penetration testing & professional services.
14. **IZO™ Platform**

IZO™ Platform is a flexible, one-stop cloud enablement platform designed to help you navigate complexity for more agile business performance and allows rapid expansion, flexibility and high security for the enterprises. The IZO™ network platform combines the public internet uniquely engineered for predictable routing, with enterprise private and public cloud connectivity and interconnected data centres to deliver a total cloud solution.

The IZO™ platform offers an array of innovative service offerings for Cloud enablement, including IZO™ Private Connect, IZO™ Public Connect, IZO™ Internet WAN, IZO™ Hybrid WAN and IZO™ SDWAN.

IZO™ Private/Public Connect - IZO™ Private Connect links businesses to leading cloud service providers such as Alibaba Cloud, Amazon Web Services, Google Cloud Platform, Microsoft Azure, Office 365, Oracle Cloud, Salesforce.com and Tata Communications IZO™ Private Cloud. IZO™ Private Connect also provides access to over 110 Data Centres globally. Customers can connect using MPLS or Ethernet via one single provider globally, to ensure network performance.

IZO™ Internet WAN and Hybrid WAN - A global Internet-based WAN service that gives businesses the security, flexibility, end-to-end SLA and predictability just like a private network, but with the global reach of the Internet. The enterprises can also deploy IZO™ Hybrid WAN which integrates IZO™ Internet WAN with Tata Communications' Global VPN service to build a global hybrid network with guaranteed performance levels over 130 countries globally.

IZO™ SDWAN - brings you access to a cloud infrastructure spanning 130 countries. This means you can benefit from instant deployment and seamless management of your branches and cloud assets anywhere in the world. IZO™ SDWAN integrates seamlessly with IZO™ Hybrid WAN, IZO™ Private Connect and cloud solutions, to deliver a unique and scalable communication platform your user and application needs.

IZO Private Cloud: IPC is an enterprise private cloud platform which offers a flexible, scalable and reliable cloud environment. It provides a flexible platform that allows end-users to create the appropriate combination of compute, network, security, storage, and traffic management services that meet business needs, & have the flexibility to grow with business. The IPC service is delivered on a dedicated or a logically separated infrastructure within Tata Communications' data centers.

IZO Cloud Storage: It is an integrated solution for diverse data requirements, ranging from long term archival to high performance storage. Integrated with the global tier-1 network and security services, IZO™ Cloud Storage offers an always available, highly durable and fully secure environment, delivered from across multiple global locations.

15. **Video Connect:** Tata Communications' Video Connect service ensures premium quality video delivery. We leverage the constant bandwidth availability and the video transmission is done at reliable bit rates on protected fibre paths to optimize end users' viewing experience.
16. **Mobile Innovation:** Our new generation mobility services are designed to provide solutions to help enterprise customers and mobile communications

services providers succeed in this complex market environment:

MNOs and MVNOs - solutions to help increase revenue and secure customer loyalty, including MVNE services to help globalize an MVNO offering, together with sponsored data exchange, mobile messaging exchange, Wi-Fi connectivity and our API suite (Payments, Authentication, WebRTC).

Next generation service providers - we enable connectivity between the on-net OTT world and the off-net Telco world with Local Number Services and mobile messaging services to extend service reach. We support MVNE services, providing access to our Mobile Network as a Service (MNaaS) platform.

Enterprises - mobile customer engagement solutions, to improve customer experience, loyalty and adoption of mobile devices – Sponsored Data Exchange, Mobile Data Rewards, Mobile Messaging Exchange and MVNE services, providing access to our Mobile Network as a Service (MNaaS) platform as well as access for global IOT service connectivity.

WiFi+ - is a new WiFi Cloud Communication solution, which enables mobile network operators' customers to access the internet for browsing; messaging; calling and other data applications while roaming. The user gets seamless and unlimited access to more than 44 million hot-spots globally at a predictable price preventing roaming bill-shock. It helps the Operators to monetize their silent roamers and keep them on board.

MOVE (Mobile Virtual Enabler) – is a platform based service, that provides virtual global mobile connectivity for MVNOs (MNO extensions, enterprise MVNO etc.) and is also used to provide global connectivity for IOT services.

- MVNE – a complete MVNE stack incorporating signaling, SIM provisioning, BSS/OSS and customer support for MVNOs of any type (MNO brand extensions, Enterprise, M2M, Roaming etc.)
- IOT – Providing global connectivity for M2M / IOT services that need to take an international approach to service deployment (Automotive, Transportation, Logistics, Travel, Hospitality etc.).
- India IOT – IOT in India is offered on dedicated wireless network based on LORA technology. We provide end to end customer service and the major products are for the following categories: Asset tracking, Smart Street lights, Employee Health and safety, Smart Button / feedback solutions, Human safety solution and Automated metering solutions (GAS / WATER/ POWER).

Section 3

MANAGEMENT DISCUSSION AND ANALYSIS

3.1 Results of Operations

Key Highlights - For the quarter and half year ended September 30, 2018

- **Consolidated –**
 - Consolidated Revenues grew by 3.2% QoQ on the back of strong growth in data business but declined by 4.2% YoY primarily due to a decline in voice business.
 - Consolidated EBITDA came in at INR 630.2 Crores, witnessing an increase of 7.4% QoQ and 6.1% YoY. EBITDA margins have expanded by 60 BPS sequentially and 150 BPS YoY. Growth Services have turned EBITDA neutral this quarter and this has led to EBITDA growth and margin expansion.
 - Reported operating costs have increased marginally but on a constant currency basis, our operating costs were flat.
 - Consolidated PAT for the quarter is INR 1.6 Crores compared to a loss of INR 58.5 Crores in Q1 FY19.
 - CAPEX for this quarter was USD 65 Mn compared to USD 72 Mn in Q1 FY19.
 - Free Cash Flow (EBITDA less Capex) for the quarter came in at INR 172.4 crores – an increase of 67.2% over last quarter. Even after deducting finance cost and taxes we delivered positive free cash this quarter.
 - Consolidated net debt was at USD 1,251 Mn - a reduction of USD 17 Mn compared to last quarter. Net debt has seen a decline despite dividend payment of USD 22 Mn in Q2.
 - Average cost of borrowing is at 3.67%; this has marginally increased due to average LIBOR movement from 1.97% in Q1 to 2.11% in Q2. This has also led to an increase in finance cost.
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 - **Data –**
 - Data business revenues came in at INR 3,069 crore and showed growth of 9.1% YoY and 5.2% QoQ on the back of strong performance in Growth services.
 - Data business now contribute 75.4% to the overall revenue; an increase of 9.2% compared to same quarter last year.
 - Data EBITDA grew by 10% YoY and 4.1% QoQ led by strong performance in Growth Services.
 - Post the objects clause change, real estate rental income is now classified as business income and included in Data business. Rental income of INR 31 crores is included in data revenue this quarter. All previous quarters have been restated to enable like to like comparison.
 - Traditional Services revenue for the quarter stood at USD 287.3 Mn and witnessed a decline of 1.3% QoQ and 3.3% on YoY basis. On a constant currency basis, this portfolio witnessed a growth of 1% on both QoQ and YoY basis. This portfolio has been affected by operator consolidation and pricing pressure this quarter.
 - Growth Services witnessed a strong quarter with revenue growth of 13.1% YoY and 9.2% QoQ with good traction in IZO™ cloud enablement, media and entertainment, Global Hosted Contact Centre, and mobility services. On a constant currency basis, this portfolio witnessed a growth of 10.7% QoQ and 15.9% YoY.
 - Among the 'Growth Services' IZO portfolio grew by over 150% YoY and GHCC grew by 47% YoY.
 - Growth Services portfolio turned EBITDA neutral on the back of strong revenue growth and execution. Growth Services EBITDA loss was at USD 0.3 Mn as compared to a loss of USD 8.5 Mn in Q1 FY19.
 - Transformation Services' revenue came in at INR 286.5 crores witnessing a growth of 7.6% YoY and 4.0% on QoQ basis. EBITDA for Q2 stood at INR 28.7 crores witnessing a decline of 6.8% QoQ and 15.1% YoY. The decline was due to higher project costs; revenues for which will flow through in H2.
 - Payment solutions - we have closed over 594 ATM's this quarter as these have been less profitable and this has affected our revenues to a certain extent. Also, this quarter is a seasonally weak quarter with low average ATM transactions due to monsoons. Through cost optimization initiatives, we have managed to be EBITDA positive this quarter.
 - **Voice –**
 - Revenue stood at INR 999 crore and we witnessed de-growth at 2.7% QoQ and 30.3% YoY, due to a decline in volumes and pricing pressure. EBITDA for the quarter was at INR 92.7 crores and was higher by 31.2% QoQ, due to one-off benefit. We continue to focus on cost optimisation.
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Section 4**FINANCIAL HIGHLIGHTS**

The financial results presented in this section are compiled based on the limited review consolidated financial statements prepared in accordance with Indian Accounting Standards (IND AS) and the underlying information. The consolidated financial results represent results of the Company and its subsidiaries.

4.1 Summary of Consolidated Financial Statements**4.1.1 Summarized Consolidated Statement of Operations**

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2018	June 2018	Sep 2017	QoQ Growth	YoY Growth	Sep 2018	Sep 2017	YoY Growth
Gross Revenue	40,682	39,437	42,475	3.2%	(4.2%)	80,120	85,868	(6.7%)
Net Revenue	22,214	20,968	21,309	5.9%	4.3%	43,182	42,496	1.6%
EBITDA ¹	6,302	5,869	5,941	7.4%	6.1%	12,170	11,822	2.9%
EBITDA Margin	15.5%	14.9%	14.0%			15.2%	13.8%	
Depreciation & Amortisation	5,006	4,849	4,837	3.2%	3.5%	9,855	9,283	6.2%
EBIT	1,296	1,020	1,105	27.1%	17.3%	2,316	2,539	(8.8%)
Other Income	119	75	233	58.3%	(49.0%)	194	550	(64.8%)
Finance Cost	979	909	877	7.7%	11.6%	1,887	1,638	15.2%
Profit Before Tax	419	41	(1912)	919.8%		460	(1090)	
Tax Expense	418	641	588	(34.9%)		1,059	1,049	1.0%
Profit After Tax	16	(585)	(2501)			(569)	(2179)	
Capex	4,578	4,837	4,827	(5.4%)	(5.2%)	9,415	8,118	16.0%
Free Cash Flow	1,724	1,031	1,114	67.2%	54.7%	2,755	3,705	(25.6%)

1. Revenue, EBITDA, EBIT are excluding other income.

4.1.2 Summarized Statement of Consolidated Financial Position

Amount in ₹, Cr

Particulars	As at Sep. 30, 2018	As at March 31, 2018
Shareholder's Fund		
Share Capital	285	285
Reserves and Surplus	(633)	214
Minority Interest Liability	5	4
Non-Current Liabilities	11,298	9,862
Current Liabilities	9,569	9,237
Total Liabilities	20,872	19,103
Total Equity and Liabilities	20,524	19,603
Assets		
Non-Current Assets	15,563	14,611
Fixed Assets	12,006	11,317
Investments	1,155	1,064
Others	2,402	2,230
Current Assets	4,961	4,992
Total Assets	20,524	19,603

4.2 Summarized Statement of Segments - Statement of Operations

4.2.1 Tata Communications - Data

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2018	June 2018	Sep 2017	QoQ Growth	YoY Growth	Sep 2018	Sep 2017	YoY Growth
Gross Revenue	30,691	29,170	28,130	5.2%	9.1%	59,860	56,190	6.5%
Net Revenue	20,630	19,489	19,402	5.9%	6.3%	40,119	38,700	3.7%
EBITDA	5,374	5,162	4,888	4.1%	10.0%	10,536	9,864	6.8%
EBITDA Margin	17.5%	17.7%	17.4%			17.6%	17.6%	
EBIT	463	404	175	14.6%	n/a	867	817	6.0%
Capex ¹	3,821	4,174	4,150	(8.4%)	(7.9%)	7,995	6,368	25.6%
Free Cash Flow	1,553	988	738	57.2%	110.3%	2,541	3,495	(27.3%)

4.2.2 Tata Communications – Data (Traditional Services)

Amount in \$ Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2018	June 2018	Sep 2017	QoQ Growth	YoY Growth	Sep 2018	Sep 2017	YoY Growth
Gross Revenue	287.3	291.1	297.2	(1.3%)	(3.3%)	578.4	602.2	(3.9%)
Net Revenue	231.5	232.4	243.2	(0.4%)	(4.8%)	463.9	488.6	(5.1%)
EBITDA	83.1	91.2	83.3	(8.9%)	(0.3%)	174.3	172.9	0.8%
EBITDA Margin	28.9%	31.3%	28.0%			30.1%	28.7%	

4.2.3 Tata Communications – Data (Growth Services)

Amount in \$ Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2018	June 2018	Sep 2017	QoQ Growth	YoY Growth	Sep 2018	Sep 2017	YoY Growth
Gross Revenue	97.0	88.8	85.8	9.2%	13.1%	185.8	159.3	16.6%
Net Revenue	47.8	40.8	41.1	17.0%	16.1%	88.6	78.6	12.7%
EBITDA	(0.3)	(8.5)	(8.3)			(8.8)	(18.1)	
EBITDA Margin	(0.3%)	(9.6%)	(9.7%)			(4.8%)	(11.3%)	

4.2.4 Tata Communications – Data (Innovation Services)

Amount in \$ Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2018	June 2018	Sep 2017	QoQ Growth	YoY Growth	Sep 2018	Sep 2017	YoY Growth
Gross Revenue	0.6	0.4	0.1	66.8%	745.5%	1.0	0.1	745.2%
Net Revenue	(0.8)	(1.0)	(0.2)		n/a	(1.8)	(0.4)	n/a
EBITDA	(12.9)	(12.4)	(6.9)		n/a	(25.3)	(14.6)	n/a
EBITDA Margin	n/a	n/a	n/a			n/a	n/a	

s

4.2.5 Tata Communications – Data (Rentals)

Amount in \$ Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2018	June 2018	Sep 2017	QoQ Growth	YoY Growth	Sep 2018	Sep 2017	YoY Growth
Gross Revenue	4.4	4.7	4.6	(5.7%)	(4.2%)	9.1	9.2	(0.6%)
Net Revenue	4.4	4.7	4.6	(5.7%)	(4.2%)	9.1	9.2	(0.6%)
EBITDA	1.7	2.0	2.1	(13.8%)	(19.7%)	3.7	3.5	5.0%
EBITDA Margin	38.8%	42.4%	46.2%			40.6%	38.5%	

4.2.6 Tata Communications – Data (Transformation Services - Standalone)

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2018	June 2018	Sep 2017	QoQ Growth	YoY Growth	Sep 2018	Sep 2017	YoY Growth
Gross Revenue	2,865	2,755	2,664	4.0%	7.6%	5,620	5,370	4.6%
Net Revenue	626	738	648	(15.1%)	(3.4%)	1,364	1,351	1.0%
EBITDA	287	308	338	(6.8%)	(15.1%)	595	710	(16.3%)
EBITDA Margin	10.0%	11.2%	12.7%			10.6%	13.2%	

4.2.7 Tata Communications – Data (Payment Solutions - Standalone)

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2018	June 2018	Sep 2017	QoQ Growth	YoY Growth	Sep 2018	Sep 2017	YoY Growth
Gross Revenue	864	968	937	(10.8%)	(7.8%)	1,832	1,920	(4.6%)
Net Revenue	160	177	206	(9.6%)	(22.3%)	336	230	45.9%
EBITDA	4	(37)	(17)			(33)	(194)	
EBITDA Margin	0.4%	(3.8%)	(1.8%)			(1.8%)	(10.1%)	

4.2.8 Tata Communications – Voice

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2018	June 2018	Sep 2017	QoQ Growth	YoY Growth	Sep 2018	Sep 2017	YoY Growth
Gross Revenue	9,991	10,268	14,345	(2.7%)	(30.3%)	20,259	29,679	(31.7%)
Net Revenue	1,584	1,479	1,907	7.1%	(16.9%)	3,063	3,797	(19.3%)
EBITDA	927	707	1,053	31.2%	(12.0%)	1,634	1,959	(16.6%)
EBITDA Margin	9.3%	6.9%	7.3%			8.1%	6.6%	
EBIT	833	616	930	35.2%	(10.4%)	1,449	1,721	(15.8%)
Capex	15	24	17	(38.5%)	(12.6%)	38	23	65.6%
Free Cash Flow	913	683	1,037	33.6%	(12.0%)	1,596	1,935	(17.6%)

4.2.9 Tata Communications – Average Exchange Rate

Particulars	Quarter Ended			Six Months Ended	
	Sep 2018	June 2018	Sep 2017	Sep 2018	Sep 2017
INR / USD	70.1	66.9	64.3	68.5	64.4

Section 5

OPERATING HIGHLIGHTS

5.1 Tata Communications - Consolidated

5.1.1 Gross Revenue by Segments

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
Voice	%	33.8%	29.7%	27.6%	26.0%	24.6%
Data	%	66.2%	70.3%	72.4%	74.0%	75.4%
Traditional Services	%	67.9%	67.1%	65.2%	66.8%	65.6%
Growth & Innovation Services	%	19.6%	19.9%	21.4%	20.5%	22.3%
Rentals	%	1.1%	1.0%	1.1%	1.1%	1.0%
Subsidiaries	%	11.4%	11.9%	12.3%	11.6%	11.1%

5.1.2 Gross Revenue by Currency

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
Indian Rupee (INR)	%	31.0%	31.0%	33.0%	35.0%	34.0%
Other International Currencies	%	69.0%	69.0%	67.0%	65.0%	66.0%

5.1.3 EBITDA by Segments

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
Voice	%	17.7%	11.8%	12.7%	12.0%	14.7%
Data	%	82.3%	88.2%	87.3%	88.0%	85.3%
Traditional Services	%	109.6%	110.9%	115.4%	118.0%	108.4%
Growth & Innovation Services	%	(20.0%)	(20.4%)	(29.5%)	(27.1%)	(17.3%)
Rentals	%	2.8%	2.0%	2.5%	2.6%	2.2%
Subsidiaries	%	7.6%	7.5%	11.5%	6.5%	6.6%

5.1.4 Capital Expenditure

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
Voice	USD, Mn	0.3	0.6	0.4	0.4	0.2
Data						
Sustenance	USD, Mn	51.6	21.4	22.0	35.0	24.3
Growth	USD, Mn	12.9	24.1	17.3	27.3	30.1
Other ¹	USD, Mn	10.3	11.1	12.0	9.6	10.6
Total Core Capex	USD, Mn	75.0	57.2	51.7	72.3	65.1

1. Others include sustenance capex towards network engineering, IT, customer service operations etc.

5.1.5 Debt Profile

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
Core Business						
Gross Debt						
Foreign Currency Loans	USD, Mn	1,301	1,307	1,284	1,346	1,331
INR Loans	USD, Mn	89	68	94	75	80
Weighted Average Cost of Debt	%	3.30%	3.60%	3.87%	3.59%	3.67%
Cash & Cash Equivalent	USD, Mn	181	121	227	153	160
Net Debt	USD, Mn	1,209	1,254	1,151	1,268	1,251

5.2 Tata Communications – Data Services

5.2.1 Data Traffic carried

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
95 th Percentile Bandwidth Usage	Tbps/month	8.64	9.1	9.73	9.74	11.00

5.2.2 Data Revenue by Geography

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
India	%	51.0%	51.0%	54.0%	51.0%	51.0%
Rest of World	%	49.0%	49.0%	46.0%	49.0%	49.0%

5.2.3 Data Revenue by Segment

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
Service Provider / Carrier	%	43.0%	43.0%	42.0%	41.0%	41.0%
Enterprise	%	57.0%	57.0%	58.0%	59.0%	59.0%

5.2.4 Data Revenue by Product Segments

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
Traditional Services ¹	%	67.9%	67.1%	65.2%	66.8%	65.6%
Growth Services ²	%	19.6%	19.9%	21.4%	20.5%	22.3%
Rentals	%	1.1%	1.0%	1.1%	1.1%	1.0%
Subsidiaries ³	%	11.4%	11.9%	12.3%	11.6%	11.1%

1. Traditional services include Virtual Private Network, International Private Line, Internet Leased Line, Ethernet, Internet Protocol –Transit, Inmarsat, Content Delivery Network, National Private Line, Mobility.

2. Growth services include IZO, Managed Hosting, Managed Security Services, Broadcast, Video Connect, UCC/SIP- Trunking, Global Hosted Contact Center, Video Streaming, Mobile New Services, Healthcare, Media Management.

3. Subsidiaries include Tata Communications Payment Solutions Ltd (TCP SL) and Tata Communications Transformation Services Limited (TCTSL)

5.2.5 Data Revenue mix by Product (Traditional Services)

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
VPN	%	26.1%	26.1%	26.2%	26.8%	26.0%
IPL	%	21.0%	21.4%	20.3%	20.6%	21.6%
ILL	%	15.1%	15.4%	16.1%	15.8%	15.7%
Ethernet	%	14.6%	14.7%	15.0%	14.6%	14.6%
IP-T	%	10.8%	10.6%	10.7%	10.7%	11.2%
Others	%	12.4%	11.8%	11.6%	11.6%	10.9%

5.2.6 YoY Revenue growth by Product (Traditional Services)

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
VPN	%	8.0%	10.9%	6.9%	(0.1%)	(3.6%)
IPL	%	(5.7%)	12.0%	(4.8%)	(13.2%)	(0.3%)
ILL	%	14.0%	11.6%	12.2%	3.0%	0.3%
Ethernet	%	14.5%	13.2%	9.4%	(2.8%)	(3.5%)
IP-T	%	2.4%	(4.2%)	(6.6%)	(2.3%)	0.3%
Others	%	(19.1%)	(16.3%)	(13.7%)	(11.1%)	(15.0%)

5.2.7 Data Revenue mix by Product (Growth Services)

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
UCC / SIP-T	%	41.5%	37.7%	37.4%	38.9%	35.0%
Hosting	%	14.5%	12.0%	12.5%	8.9%	9.4%
GHCC	%	3.2%	4.4%	4.0%	2.9%	4.2%
V Connect	%	7.2%	8.9%	6.5%	10.9%	9.4%
VS & IPT	%	10.8%	10.9%	9.3%	10.6%	9.6%
Others	%	22.8%	26.1%	30.4%	27.9%	32.4%

5.2.8 YoY Revenue growth by Product (Growth Services)

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
UCC / SIP-T	%	20.4%	20.2%	5.9%	4.7%	(4.6%)
Hosting	%	77.4%	21.3%	25.5%	(1.5%)	(26.5%)
GHCC	%	(35.8%)	12.9%	46.9%	(8.1%)	47.0%
V Connect	%	78.9%	28.3%	70.6%	58.9%	47.6%
VS & IPT	%	29.4%	34.0%	44.4%	8.6%	0.9%
Others	%	104.7%	118.5%	107.4%	65.1%	60.3%

5.2.9 Operating Metrics

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
Consolidated						
Total Active Customers	No.	5,030	5,418	5,518	5,557	5,625
Innovation Services						
IoT India						
PoCs Completed	No.	15	26	37	53	66
Customers	No.	8	9	13	15	19
Devices Ordered (Cum.)	No.	3,918	9,588	16,623	56,073	61,873
Base Stations (Cum.)	No.	2,519	4,337	4,848	5,022	5,084
Cities Covered	No.	29	37	38	38	38
MOVE						
Customers	No.	12	26	64	80	116
SIMs Ordered (Cum.)	No.	3,418	38,112	51,127	71,696	118,201
Security & Hosting						
Instances Managed	No.	8,699	9,357	9,812	10,738	10,552
Devices Managed (Cum.)	No.	3,642	3,807	3,999	4,011	4,195
Block / Object Storage (Provisioned)	TB	19,509	19,572	20,811	21,560	24,357
NetFoundry						
PoCs Completed	No.	13	21	27	37	39
Customers	No.	-	7	12	16	18
Partners	No.	6	8	13	16	22

5.3 Tata Communications – Payment Solutions

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
Third Party / Managed ATMs	No.	8682	8023	7732	6915	6417
White Label ATMs	No.	8116	8317	8435	8264	8168
Total ATMs Managed	No.	16798	16340	16167	15179	14585
Total POS Managed	No.	15788	15737	14950	14312	13791

5.4 Tata Communications – Voice

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
International Long Distance	Bn, Minutes	9.7	8.2	7.7	7.9	6.9
National Long Distance	Bn, Minutes	0.8	1.0	1.2	0.8	0.8
Total Volume	Bn, Minutes	10.5	9.2	8.9	8.7	7.7

5.5 Human Resource Analysis

5.5.1 Tata Communications – Consolidated¹

Particulars	UNITS	Quarter Ended				
		Sep 2017	Dec 2017	Mar 2018	June 2018	Sep 2018
Tata Communications	No.	5978	6051	6022	6168	6402
TCTSL	No.	4531	4363	4323	3903	4060
Total Employees	No.	10509	10414	10345	10071	10462

1. Exit Headcount as on date

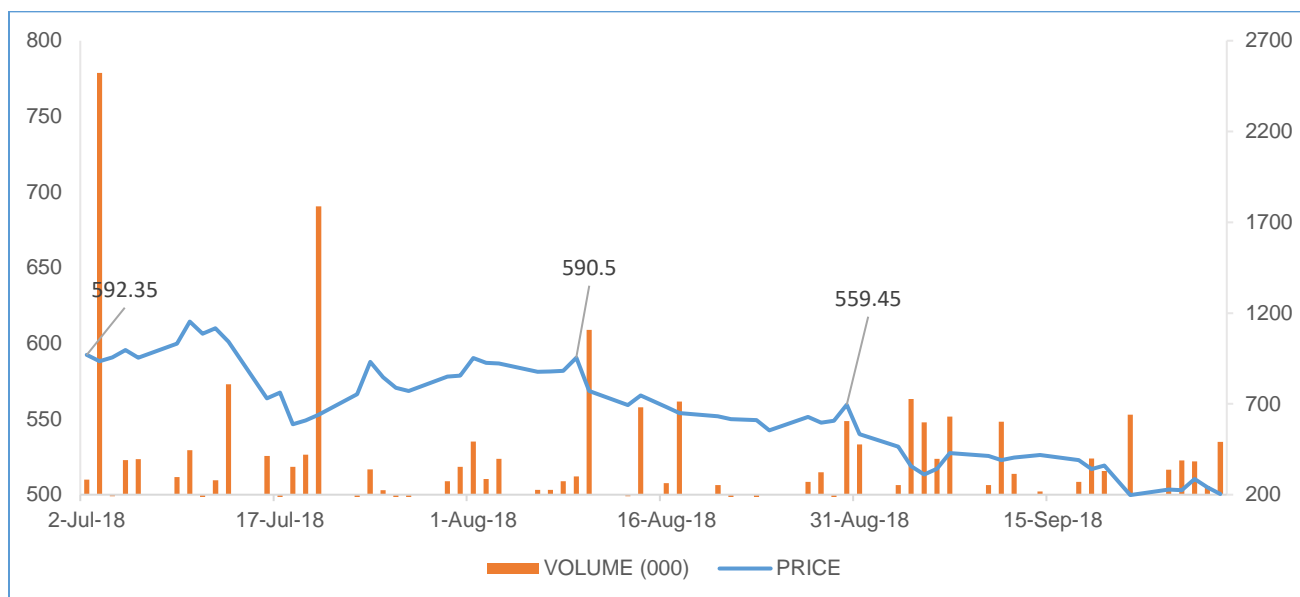
Section 6**STOCK MARKET HIGHLIGHTS****6.1 General Information**

Shareholding and Financial Data	UNITS	Quarter Ended Sep 30, 2018
Code / Exchange		TATACOMM / NSE
Bloomberg		TCOM IN
No. of Shares Outstanding (30/09/2018)	Mn, No	285
Closing Market Price - NSE (30/09/2018)	₹ / Share	500.50
Combined Average Daily Volume (NSE and BSE)	Nos in 000/day	424
Combined Average Daily Value (NSE and BSE)	₹ Mn/day	235.84
Market Capitalisation (30/09/2018)	₹, Bn	142.64
Enterprise Value	₹, Bn	233.39
Enterprise Value / EBITDA (LTM)	Times	9.54

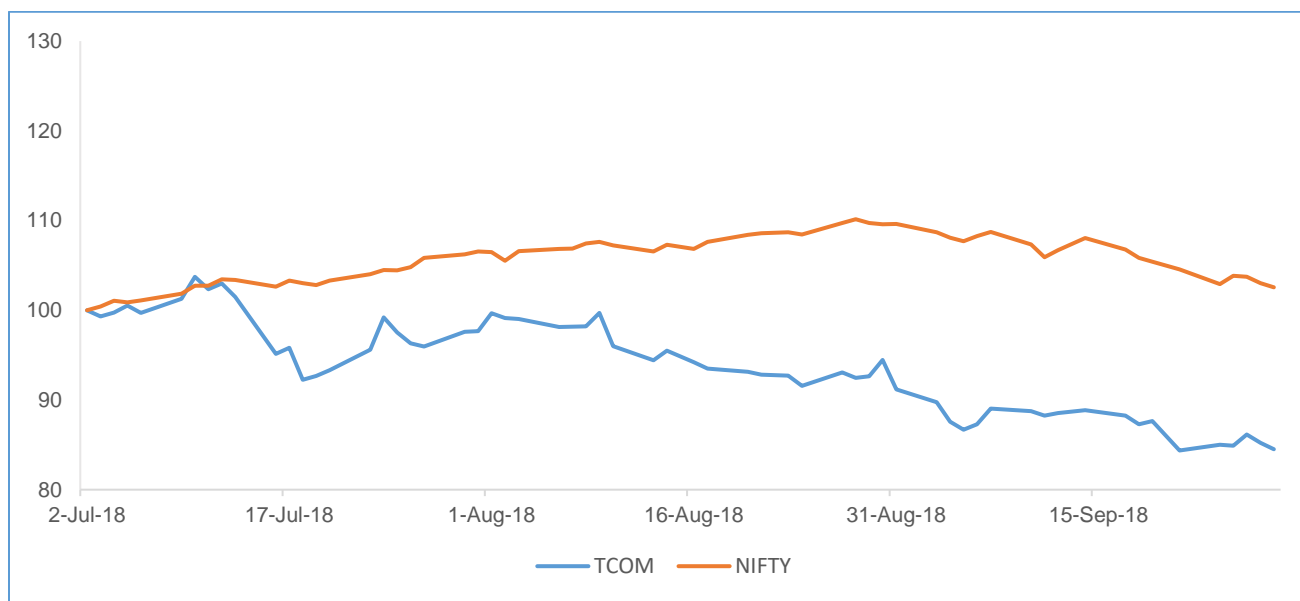
6.2 Summarized Shareholding pattern as of Septembers 30, 2018

Category	% Holding
Promoter & Promoter Group	
Tata Group	48.9%
Government of India	26.1%
Sub-Total	75.0%
Public Shareholding	
Domestic Institutions	3.0%
Foreign Institutions	16.3%
Non-Institutions (Retail)	5.7%
Sub-Total	25.0%
Total	100%

6.3 Tata Communications daily stock price (NSE) and volume (BSE & NSE Combined) movement



6.4 Comparison of Tata Communications with Nifty



Nifty and Tata Communications Stock price rebased to 100.

Section 7**DETAILED FINANCIAL AND RELATED INFORMATION**

The financial results presented in this section are compiled based on the limited review consolidated financial statements prepared in accordance with Indian Accounting Standards (IND AS) and the underlying information. The consolidated financial results represent results of the Company and its subsidiaries.

7.1 Extracts from Audited Consolidated Financial Statements prepared in accordance with Indian Accounting Standards (IND AS)**7.1.1 Consolidated Statement of Income**

(₹ in Lakhs)

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2018							
Particulars	For the quarter ended			For the half year ended		For the year ended	
	September 30 2018	June 30 2018	September 30 2017	September 30 2018	September 30 2017	March 31 2018	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1 Income from operations	406822	394375	424736	801197	858682	1677169	
2 Other income, net	864	(703)	(59)	161	1434	25966	
3 Total income (1 + 2)	407686	393672	424677	801358	860116	1703135	
4 Expenses							
a. Network and transmission expense	181762	179273	203742	361035	417153	790324	
b. Employee benefits expense	74477	68900	74259	143377	146553	297752	
c. Finance costs	9785	9085	8765	18870	16378	34445	
d. Depreciation and amortisation expense	50059	48487	48369	98546	92834	190630	
e. Other expenses	87566	87516	87310	175082	176743	347871	
Total expenses (4a to 4e)	403649	393261	422445	796910	849661	1661022	
5 Profit before exceptional items, tax & share of profit/(loss) of associates (3 - 4)	4037	411	2232	4448	10455	42113	
6 Exceptional items (Refer note 3)	157	-	(21341)	157	(21341)	(37552)	
7 Profit/(loss) from operations before tax and share of profit/(loss) of associates (5 + 6)	4194	411	(19109)	4605	(10886)	4561	
8 Tax expense/ (benefit):							
a. Current tax	5351	7854	6779	13205	16073	40916	
b. Deferred tax	(1174)	(1440)	(899)	(2614)	(5586)	(5424)	
9 Profit/(loss) before share of profit/(loss) of associates (7 - 8)	17	(6003)	(24989)	(5986)	(21373)	(30931)	
10 Share in Profit/(Loss) of associates	198	208	147	406	(175)	(1630)	
11 Profit/ (loss) for the period (9 + 10)	215	(5795)	(24842)	(5580)	(21548)	(32561)	
Attributable to:							
Equity holders of the parent	165	(5849)	(25000)	(5684)	(21775)	(32860)	
Non-controlling interest	50	54	158	104	227	299	
12 Other Comprehensive Income/(loss) (net of tax) (Refer note 4 and 5)	(34815)	(28901)	(56572)	(63716)	(55562)	(56286)	
13 Total Comprehensive Income/(loss) (11 + 12)	(34600)	(34696)	(81414)	(69296)	(77110)	(88847)	
Attributable to:							
Equity holders of the parent	(34650)	(34750)	(81572)	(69400)	(77337)	(89146)	
Non-controlling interest	50	54	158	104	227	299	
14 Paid up equity share capital (Face value of ₹10 per share)	28500	28500	28500	28500	28500	28500	
15 Reserves excluding Revaluation reserve						826	
16 Earnings per share (of ₹10/- each) (not annualised) basic and diluted earnings per share (₹)	0.06	(2.05)	(8.77)	(1.99)	(7.64)	(11.53)	

7.2 Use of Non-GAAP Financial Information

In presenting and discussing the Company's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with IND AS, but this information is not in itself an expressly permitted GAAP measure. Such non - GAAP measures should not be viewed in isolation as alternatives to the equivalent GAAP measures.

A summary of non - GAAP measures included in this report are shown below.

7.2.1 Reconciliation of Non- GAAP financial information based on IND AS

a) Derivation of Operating Free Cash Flow from EBITDA

Amount in ₹, Mn

Particulars	Quarter Ended	Quarter Ended
	Sep 2018	Sep 2017
EBITDA	6,302	5,941
Less: Capex	4,578	4,827
Free Cash Flow	1,724	1,114

b) Derivation of Cash Profit from Operations from Profit before tax

Amount in ₹, Mn

Particulars	Quarter Ended	Quarter Ended
	Sep 2018	Sep 2017
Profit Before Tax	419	(1912)
Add: Depreciation and Amortisation	5,006	4,837
Add: Exceptional Loss	16	(213)
Less: Other Income	119	233
Cash Profit from Operations	5291	2906

c) Calculation of Capital Employed

Amount in ₹, Mn

Particulars	Quarter Ended
	Sep 2018
Shareholders' Fund	(3481)
Add: Net Debt / (Net Cash)	90,748
Capital Employed	87,267

Section 8

GLOSSARY

8.1 Company Related Terms

Capex	It includes investment in Gross Fixed Assets capitalized during the quarter and capital work in progress during the relevant period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity shareholders and net debt / (net cash).
Earnings Per Share (EPS)-Basic	It is computed by dividing net profit or loss attributable for the period to equity shareholders by the weighted average number of equity shares outstanding during the period.
Earnings Per Share (EPS)- Diluted	Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period for the effects of all dilutive potential equity shares.
EBIT	Earnings before interest, taxation excluding other income for the relevant period.
EBIT (Including Other Income)	Earnings before interest, taxation including other income for the relevant period.
EBITDA	Earnings before interest, taxation, depreciation and amortization and charity and donation excluding other income for the relevant period. It is defined as operating income and does not include depreciation and amortization expense, finance cost and tax expense.
EBITDA (Including Other Income)	Earnings before interest, taxation, depreciation and amortization and charity and donation including other income for the relevant period.
Enterprise Value (EV)	Calculated as sum of Market Capitalization plus Net Debt / (Net Cash) as at the end of the relevant period.
EV / EBITDA (times)(LTM)	Computed by dividing Enterprise Value as at the end of the relevant period (EV) by EBITDA for the preceding (last) 12 months from the end of the relevant period.
Free Cash Flow	It is defined as EBITDA adjusted for Capex.
GAAP	Generally Accepted Accounting Principle
INDAS	Indian Accounting Standard
Intangibles	Comprises of acquisition cost of software.
NA/∞	Not ascertainable (infinite)
Interest Coverage Ratio(LTM)	It is computed by dividing EBIT for the preceding (last) 12 months from the end of relevant period by interest on borrowing for the preceding (last) 12 months.
LTM	Last Twelve months
Market Capitalization	Number of issued and outstanding shares as at end of the period multiplied by closing market price (NSE) as at end of the period.
Mn	Million
Net Debt / (Net Cash)	Total Borrowings Less Cash and Cash Equivalents on the last day of the quarter.
Net Debt / (Net Cash) to EBITDA (LTM)	It is computed by dividing net debt / (net cash) as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.

PE Ratio	Price to Earnings ratio is calculated as closing market price (NSE) as at the end of relevant period, divided by diluted annual earnings per share. Annual Diluted Earnings per share is calculated by adding the preceding last four quarters diluted Earnings per share
ROC	Registrar of Companies
Return On Capital Employed (ROCE) Pre Tax - (LTM)	For the full year computations, ROCE is computed by dividing the sum of EBIT for the period by average (of opening and closing) capital employed. For the quarterly computations, it is computed by dividing sum of EBIT for the preceding (last) 12 months from the end of the relevant period by average (of opening and closing) capital employed during the relevant periods.
CSR	Corporate social responsibility

Written correspondence to be sent to:
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[http:// www.tatacommunications.com](http://www.tatacommunications.com)