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**Quarterly report on the results for the quarter ended September 30, 2022.**

**Tata Communications Limited**

Plot Nos. C-21 & C-36, 'G' Block, Bandra Kurla Complex,  
Vidyanagari Post Office, Mumbai - 400 098



**October 18, 2022**

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## **Supplemental Disclosures**

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**Safe Harbor:** - Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words.

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.

**General Risk:** - Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Company without necessary diligence and relying on their own examination of Tata Communications Limited; along with the equity investment risk which doesn't guarantee capital protection.

**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**

<b>Section 1</b>	<b>Tata Communications – Performance at a glance</b>	<b>4</b>
<b>Section 2</b>	<b>An Overview</b>	<b>5</b>
<b>Section 3</b>	<b>Management Discussion &amp; Analysis</b>	<b>7</b>
3.1	Results of Operations	7
<b>Section 4</b>	<b>Financial Highlights</b>	<b>8</b>
4.1	Summary of Consolidated Financial Statements	8
4.2	Summary of Segments – Statement of Operations	9
<b>Section 5</b>	<b>Operating Highlights</b>	<b>11</b>
<b>Section 6</b>	<b>Stock Market Highlights</b>	<b>14</b>
<b>Section 7</b>	<b>Detailed Financials</b>	<b>16</b>
<b>Section 8</b>	<b>Glossary</b>	<b>17</b>



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

Particulars	UNITS	Full Year Ended			Quarter Ended				
		2020	2021	2022	Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
<b><u>Operating Highlights</u></b>									
95 <sup>th</sup> Percentile Bandwidth Usage	Tbps/month	16.7	17.3	19.3	17.3	18.6	19.3	18.4	19.7
Total Voice Minutes	Bn, Minutes	23.2	18.7	14.8	3.9	3.6	3.2	3.3	2.9
International Long Distance	Bn, Minutes	22.6	18.2	14.4	3.7	3.5	3.1	3.2	2.8
National Long Distance	Bn, Minutes	0.6	0.5	0.5	0.1	0.1	0.1	0.1	0.1
Revenue by Line of Business									
Voice	%	19.8%	16.3%	13.7%	14.5%	13.2%	12.6%	13.0%	11.8%
Data*	%	69.6%	73.7%	76.4%	75.2%	77.3%	77.4%	77.5%	78.8%
Core Connectivity	%	72.3%	70.8%	70.7%	71.4%	70.5%	69.3%	69.2%	68.0%
Digital Platforms and Services	%	26.8%	28.2%	27.6%	27.3%	27.9%	28.2%	28.2%	28.6%
Incubation Services	%	0.9%	1.0%	1.7%	1.4%	1.7%	2.4%	2.7%	3.5%
Others (Subsidiaries + Real Estate)	%	10.6%	10.0%	9.9%	10.3%	9.5%	10.0%	9.5%	9.3%
Data Revenue by Segment									
Service Provider	%	33.1%	31.5%	30.8%	30.6%	30.6%	30.7%	30.3%	27.9%
Enterprise	%	66.9%	68.5%	69.2%	69.4%	69.4%	69.3%	69.7%	72.1%
<b><u>Financials</u></b>									
Gross Revenue	₹, Cr	17,068	17,100	16,725	4,174	4,185	4,263	4,311	4,431
Net Revenue	₹, Cr	9,447	9,919	5,331	2,426	2,505	2,579	2,619	2,712
EBITDA	₹, Cr	3,289	4,261	4,227	1,113	1,082	1,045	1,077	1,130
EBIT	₹, Cr	931	1,947	2,022	571	540	457	540	578
Profit Before Tax	₹, Cr	140	1,609	2,000	530	484	609	694	593
Profit After Tax	₹, Cr	(86)	1,251	1,482	425	395	365	544	532
Cash Capex	₹, Cr	1,681	1,364	1,656	363	452	500	329	324
Free Cash Flow	₹, Cr	530	1,446	2,183	667	667	748	955	617
Total Capital Employed	₹, Cr	7,898	7,902	7,672	7,998	7,816	7,672	6,697	7,308
Net Debt / (Net Cash)	₹, Cr	9,176	7,786	6,744	7,761	7,189	6,744	6,134	6,400
<b><u>Key Ratios</u></b>									
EBITDA Margin	%	19.3%	24.9%	25.3%	26.7%	25.9%	24.5%	25.0%	25.5%
EBIT Margin	%	5.5%	11.4%	12.1%	13.7%	12.9%	10.7%	12.5%	13.0%
Net Profit Margin	%	(0.5%)	7.3%	8.9%	10.2%	9.4%	8.6%	12.6%	12.0%
Net Debt to EBITDA (LTM)	Times	2.8	1.8	1.6	1.9	1.7	1.6	1.4	1.5
Weighted Average Cost of Debt	%	3.75%	2.88%	2.92%	2.87%	2.69%	3.27%	2.67%	3.69%
Interest Coverage Ratio (LTM)	Times	1.98	4.63	5.61	5.03	5.46	5.61	6.13	6.03
Return on Capital Employed	%	11.5%	24.6%	26.0%	24.1%	25.4%	26.0%	29.1%	27.7%
<b><u>Valuation Indicators</u></b>									
Market Capitalisation	₹, Cr	6,645	30,290	35,015	39,665	41,737	35,015	26,056	32,798
Enterprise Value	₹, Cr	15,821	38,076	41,759	47,426	48,926	41,759	32,190	39,198
EV / EBITDA (LTM)	Times	4.81	8.94	9.88	11.4	11.7	9.9	7.5	9.0

\*FY20 numbers are as per old grouping and methodology  
FY22 numbers. are recasted for better comparison

## **Section 2**

### **AN OVERVIEW**

#### **2.1 Company Overview**

Tata Communications is the leading global digital ecosystem enabler. 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 partner with 300 of the Fortune 500 companies with our state-of-the-art solutions, including a wide range of communication, collaboration, cloud, mobility, connected solutions, network and data center services.

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, fully Integrated Communications Platform with solutions such as video, audio and web conferencing, contact center solutions, A2P messaging, global mobility in addition to an array of Data Center, Cloud, Hosting 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 Information and Communication Technology 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 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 3 major groupings: Data, Voice and Others. In Others category we 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.) We also receive rental income from some of our land parcels and buildings, which are let out for various commercial purposes.

**A. 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.

**A1. Core Connectivity:** This service offering includes a global comprehensive selection of point-to-point and multi-point core networking 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 30% 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. Our 2 major customer segments include: large enterprise customers, and Telecom Service Providers

**A2. Digital Platforms and Services:** As we evolve our strategy to move from being a provider of point products, to a digital ecosystem enabler, we have created platforms with a portfolio of offerings which are relevant to the customer and help bring agility in their business with the potential for high growth in the medium to long term, on the back of acceleration in the pace of digital adoption by global enterprises

**A2. (i) Collaboration and CPaaS:** We deliver global communication and collaboration services to enable digital transformation for businesses and many types of service providers. With voice and messaging at the heart of our business collaboration strategy, our modular portfolio comprises UCaaS, Global SIP Connect, Microsoft Teams solutions, Cisco Powered Solutions, Hosted Contact Centre and the all-new suite of Cloud communications platform, powered by APIs that can be

integrated into business solutions. Our proposition helps our clients chart their own journey looking from where they currently stand to the transformation required to implement their stepwise business collaboration strategy.

**A2. (ii) Cloud, Hosting, Security and SD-WAN:** With legacy on-premises infrastructure moving to the cloud, and organizations operating in a multi-cloud environment, we offer flexible and cost-efficient compute and storage options via a single pathway to manage multiple complex workloads and computing environments, with an integrated view. 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. We also offer cloud embedded with security as there is a growing threat to data security and privacy, which Tata Communications helps solve for its customers. Our comprehensive security services are delivered by partnering with the best vendors in the business and a 24/7 proactive support through our Security Operations Center.

**A2. (iii) Next Gen Connectivity:** With the global usage of internet becoming more mainstream versus expensive private lines, the importance of this portfolio has become profound. We offer intelligent routing and SLA's on the public internet, as well as on-demand connectivity solutions addressing the dynamic requirements of our customers to have a scalable network, which also fit the budget. SD-WAN offering adds a software overlay to make the network more programmable. 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

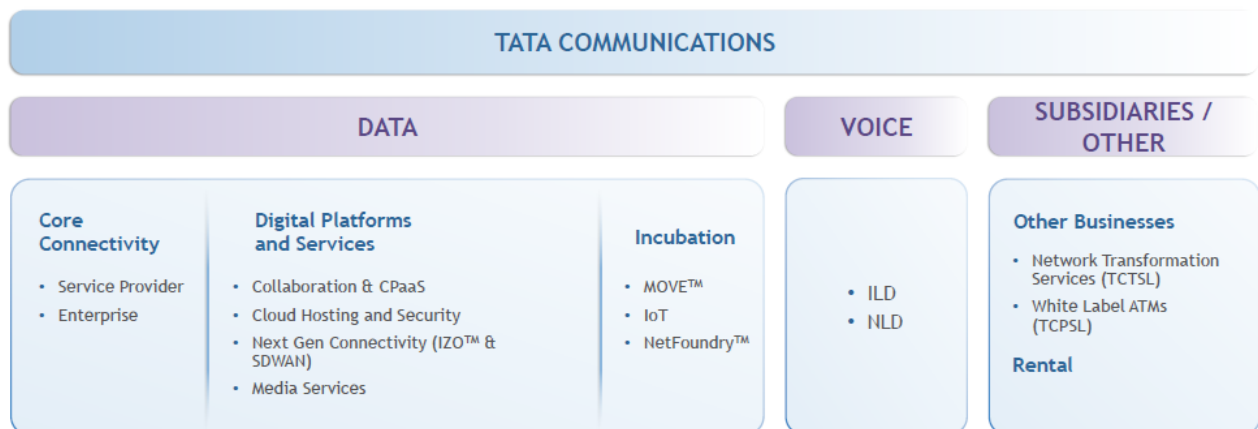
**A2. (iv) Media and Entertainment Services:** Our 'Media Ecosystem' provides solutions for every kind of enterprise in all segments of media and entertainment, including gaming, sports, news, cable, and broadcasting. Tata Communications' Media Ecosystem combines its traditional video contribution services 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.

**A3. Incubation:** These services are a combination of cutting-edge technologies and our foresight on where the world will be in some years from now. They are being seeded to drive future growth as technology trends evolve in the longer term. It comprises the global mobility platform MOVE, Internet of Things and the in-house SASE platform NetFoundry

**B. Voice Services:** In voice, we are the world's largest wholesale voice provider, carrying billions of minutes. 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.

**C. Subsidiaries and Others:** we 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.) We also receive rental income from some of our land parcels and buildings, which are let out for various commercial purposes.



### Section 3

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3.1 Results of Operations

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#### Key Highlights - For the Quarter ended September 30, 2022

- **Consolidated –**

- **Revenue** for the quarter improved by 6.2% YoY, coming in at INR 4,431 Crores. Voice business declined by 13.5% YoY. Data business increased by 11.2% YoY.
- **EBITDA** for the quarter at INR 1,130 Crores. EBITDA Margin came in at 25.5%.
- **Profit** for the quarter was INR 532 Crores as compared to a profit of INR 425 Crores in Q2 FY22, witnessing a growth of 25.1% YoY.
- **Cash CAPEX** for Q2 was INR 324 Crores as compared to INR 363 Crores in Q2 FY22. Committed capex for the quarter stood at INR 421 Crores.
- **Net Debt** at the end of the quarter was INR 6,400 Crores, with Net Debt to EBITDA at 1.5x.
- **Average cost of borrowing** for the quarter was at 3.69%. This is due to a series of interest rate hikes globally, thus increasing the overall borrowing costs.

- **Data –**

- **Data business revenue** for the quarter came in at INR 3,493 Crores witnessing a strong growth of 11.2% YoY and a growth of 4.6% sequentially.
  - **Data business EBITDA** was at INR 1,007 Crores witnessing an improvement of 3.9% QoQ; Data EBITDA Margins came in at 28.8%.
  - **Core Connectivity** – Q2 revenue at INR 2,374 Crores, showing a growth of 5.9% YoY, with EBITDA Margin at 46.6%.
  - **Digital Platforms & Services** – Q2 revenue at INR 998 Crores, witnessing a growth of 6.1% QoQ and 16.5% YoY.
  - **Transformation Services** – Revenue was at INR 322 Crores and an EBITDA at INR 5 Crores.
  - **Payment Solutions** – Franchise model is making steady progress. Revenue stood at INR 46 Crores.
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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 ₹, Cr; except ratios

Particulars	Quarter Ended					Six Month Ended		
	Sep 2022	June 2022	Sep 2021	QoQ Growth	YoY Growth	Sep 2022	Sep 2021	YoY Growth
Gross Revenue	4,431	4,311	4,174	2.8%	6.2%	8,741	8,277	5.6%
Net Revenue	2,712	2,619	2,426	3.6%	11.8%	5,331	4,788	11.3%
EBITDA <sup>1</sup>	1,130	1,077	1,113	4.9%	1.5%	2,207	2,099	5.1%
EBITDA Margin	25.5%	25.0%	26.7%			25.2%	25.4%	
Depreciation & Amortisation	552	537	542	2.7%	1.9%	1,088	1,073	1.4%
EBIT	578	540	571	7.0%	1.2%	1,118	1,026	9.0%
Other Income	37	234	36	(84.3%)	0.5%	271	50	443.7%
Finance Cost	98	80	91	22.4%	7.7%	178	187	(5.0%)
Exceptional Items (Loss)	76	(0)	13	n/a	499.3%	76	18	315.7%
Profit Before Tax	593	694	530	(14.6%)	12.0%	1,287	907	42.0%
Tax Expense	66	159	104	(58.6%)	(36.5%)	225	183	22.9%
Profit After Tax	532	544	425	(2.1%)	25.1%	1,076	722	49.1%
Cash from Operations	941	1,284	1,030	(26.7%)	(8.7%)	2,225	1,474	51.0%
Cash Capex	324	329	363	(1.6%)	(10.9%)	653	704	(7.3%)
Free Cash Flow	617	955	667	(35.4%)	(7.4%)	1,572	769	104.4%

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, 2022	As at March 31, 2022
<b>Shareholder's Fund</b>		
Share Capital	285	285
Reserves and Surplus	622	643
Minority Interest Liability	29	28
Non-Current Liabilities	10,813	10,281
Current Liabilities	8,332	8,431
<b>Total Liabilities</b>	19,174	18,740
<b>Total Equity and Liabilities</b>	20,081	19,668
<b>Assets</b>		
Non-Current Assets	14,834	14,798
Fixed Assets	11,714	11,680
Investments	1,170	1,132
Others	1,949	1,985
Current Assets	5,248	4,870
<b>Total Assets</b>	20,081	19,668



## 4.2 Summarized Statement of Segments - Statement of Operations

## 4.2.1 Tata Communications – Data

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Six Month Ended		
	Sep 2022	June 2022	Sep 2021	QoQ Growth	YoY Growth	Sep 2022	Sep 2021	YoY Growth
Gross Revenue	3,493	3,340	3,140	4.6%	11.2%	6,832	6,244	9.4%
Net Revenue	2,468	2,405	2,240	2.6%	10.2%	4,874	4,433	9.9%
EBITDA	1,007	969	1,049	3.9%	(4.0%)	1,976	1,982	(0.3%)
EBITDA Margin	28.8%	29.0%	33.4%			28.9%	31.7%	
EBIT	485	466	543	4.1%	(10.6%)	951	978	(2.7%)
Capex	364	297	349	22.7%	4.5%	661	563	17.3%
EBITDA adjusted for Capex	643	673	701	(4.4%)	(8.3%)	1,315	1,418	(7.2%)

## 4.2.2 Tata Communications – Data (Core Connectivity)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Six Month Ended		
	Sep 2022	June 2022	Sep 2021	QoQ Growth	YoY Growth	Sep 2022	Sep 2021	YoY Growth
Gross Revenue	2,374	2,311	2,241	2.7%	5.9%	4,685	4,471	4.8%
Net Revenue	1,929	1,884	1,807	2.4%	6.8%	3,813	3,594	6.1%
EBITDA	1,107	983	1,029	12.6%	7.5%	2,089	1,987	5.2%
EBITDA Margin	46.6%	42.5%	45.9%			44.6%	44.4%	

## 4.2.3 Tata Communications – Data (Digital Platforms &amp; Services)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Six Month Ended		
	Sep 2022	June 2022	Sep 2021	QoQ Growth	YoY Growth	Sep 2022	Sep 2021	YoY Growth
Gross Revenue	998	940	856	6.1%	16.5%	1,938	1,693	14.5%
Net Revenue	483	486	431	(0.6%)	12.1%	969	832	16.5%
EBITDA	(17)	67	118	(125.8%)	(114.6%)	49	189	(73.8%)
EBITDA Margin	(1.7%)	7.1%	13.8%			2.6%	11.1%	

## 4.2.4 Tata Communications – Data (Incubation Services)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Six Month Ended		
	Sep 2022	June 2022	Sep 2021	QoQ Growth	YoY Growth	Sep 2022	Sep 2021	YoY Growth
Gross Revenue	121	89	43	36.1%	181.8%	210	80	162.8%
Net Revenue	56	36	2	57.0%	2333.9%	91	7	1190.0%
EBITDA	(83)	(80)	(98)	n/a	n/a	(163)	(194)	n/a
EBITDA Margin	n/a	n/a	n/a			n/a	n/a	

## 4.3.1 Tata Communications – Others (Rentals)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Six Month Ended		
	Sep 2022	June 2022	Sep 2021	QoQ Growth	YoY Growth	Sep 2022	Sep 2021	YoY Growth
Gross Revenue	46	48	52	(4.2%)	(10.9%)	95	93	1.5%
Net Revenue	46	48	52	(4.5%)	(11.2%)	95	93	1.4%
EBITDA	18	29	36	(37.8%)	(49.4%)	47	63	(24.2%)
EBITDA Margin	39.3%	60.5%	69.2%			50.1%	67.1%	

#### 4.3.2 Tata Communications – Others (Transformation Services – Net of Intercompany eliminations)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Six Month Ended		
	Sep 2022	June 2022	Sep 2021	QoQ Growth	YoY Growth	Sep 2022	Sep 2021	YoY Growth
Gross Revenue	322	317	335	1.4%	(4.1%)	639	665	(4.0%)
Net Revenue	41	50	19	(18.4%)	108.8%	91	48	88.6%
EBITDA	5	16	(21)	(66.9%)	n/a	21	(28)	(175.4%)
EBITDA Margin	1.6%	4.9%	(6.4%)			3.2%	(4.1%)	

#### 4.3.3 Tata Communications – Others (Payment Solutions - Net of Intercompany eliminations)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Six Month Ended		
	Sep 2022	June 2022	Sep 2021	QoQ Growth	YoY Growth	Sep 2022	Sep 2021	YoY Growth
Gross Revenue	46	44	41	4.1%	12.0%	90	78	14.4%
Net Revenue	11	10	14	6.7%	(20.7%)	22	29	(24.8%)
EBITDA	(2)	1	3	n/a	n/a	(0)	11	n/a
EBITDA Margin	(3.8%)	2.8%	8.3%			(0.5%)	13.7%	

#### 4.4.0 Tata Communications – Voice

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Six Month Ended		
	Sep 2022	June 2022	Sep 2021	QoQ Growth	YoY Growth	Sep 2022	Sep 2021	YoY Growth
Gross Revenue	524	561	606	(6.6%)	(13.5%)	1,086	1,195	(9.1%)
Net Revenue	146	105	100	38.6%	45.8%	251	185	35.6%
EBITDA	101	62	46	63.6%	121.4%	163	72	127.5%
EBITDA Margin	19.3%	11.0%	7.5%			15.0%	6.0%	
EBIT	92	52	35	75.6%	163.6%	144	50	187.6%
Capex	2	1	1	116.3%	136.7%	3	3	9.6%
EBITDA adjusted for Capex	99	61	45	62.8%	121.1%	160	69	132.3%

#### 4.5.0 Tata Communications – Average Exchange Rate

Particulars	Quarter Ended			Six Month Ended	
	Sep 2022	June 2022	Sep 2021	Sep 2022	Sep 2021
INR / USD	79.8	77.1	74.1	78.4	73.9

## Section 5

### OPERATING HIGHLIGHTS

#### 5.1 Tata Communications - Consolidated

##### 5.1.1 Share of Gross Revenue by Segments

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
Voice	%	14.5%	13.2%	12.6%	13.0%	11.8%
Data	%	75.2%	77.3%	77.4%	77.5%	78.8%
Core Connectivity	%	71.4%	70.5%	69.3%	69.2%	68.0%
Digital Platforms and Services	%	27.3%	27.9%	28.2%	28.2%	28.6%
Incubation	%	1.4%	1.7%	2.4%	2.7%	3.5%
Others	%	10.3%	9.5%	10.0%	9.5%	9.3%

##### 5.1.2 Share of Gross Revenue by Currency

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
Indian Rupee (INR)	%	37.0%	37.0%	38.0%	39.6%	42.7%
Other International Currencies	%	63.0%	63.0%	62.0%	60.4%	57.3%

##### 5.1.3 Share of EBITDA by Segments

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
Voice	%	4.1%	3.9%	3.6%	5.7%	8.9%
Data	%	94.3%	96.2%	92.5%	90.0%	89.1%
Core Connectivity	%	98.1%	97.8%	101.5%	101.4%	109.9%
Digital Platforms and Services	%	11.3%	10.8%	6.3%	6.9%	(1.7%)
Incubation	%	(9.4%)	(8.6%)	(7.8%)	(8.3%)	(8.2%)
Others	%	1.6%	(0.1%)	3.9%	4.3%	1.9%

##### 5.1.4 Committed Capital Expenditure

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
Voice	₹, Cr	1	1	1	1	2
Data						
Core Connectivity	₹, Cr	270	211	316	217	222
Digital Platforms and Services	₹, Cr	51	66	48	66	115
Incubation	₹, Cr	27	23	13	13	28
Subs & Real Estate	₹, Cr	2	43	12	9	10
Other <sup>1</sup>	₹, Cr	41	55	44	39	44
<b>Total Capex</b>	₹, Cr	392	400	434	346	421

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

## 5.1.5 Debt Profile

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
Gross Debt						
Foreign Currency Loans	₹, Cr	8,262	7,630	7,027	6,915	6,926
INR Loans	₹, Cr	828	736	894	742	829
Weighted Average Cost of Debt	%	2.87%	2.69%	3.27%	2.67%	3.69%
Cash & Cash Equivalent	₹, Cr	1,329	1,177	1,176	1,523	1,355
<b>Net Debt</b>	₹, Cr	<b>7,761</b>	<b>7,189</b>	<b>6,744</b>	<b>6,134</b>	<b>6,400</b>

## 5.2 Tata Communications – Data Services

## 5.2.1 Data Traffic carried

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
95 <sup>th</sup> Percentile Bandwidth Usage	Tbps/month	17.3	18.6	19.3	18.4	19.7

## 5.2.2 Data Revenue by Geography

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
India	%	49.5%	49.1%	50.0%	49.2%	48.6%
Rest of World	%	50.5%	50.9%	50.0%	50.8%	51.4%

## 5.2.3 Share of Data Revenue by Segment

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
Service Provider / Carrier	%	30.6%	30.6%	30.7%	30.3%	27.9%
Enterprise	%	69.4%	69.4%	69.3%	69.7%	72.1%

## 5.2.4 Share of Data Revenue by Product Segments

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
Core Connectivity	%	71.4%	70.5%	69.3%	69.2%	68.0%
Digital Platforms and Services	%	27.3%	27.9%	28.2%	28.2%	28.6%
Incubation	%	1.4%	1.7%	2.4%	2.7%	3.5%

## 5.2.5 Core Connectivity Revenue mix by customer segments

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
Service Provider (Wholesale)	%	38.3%	38.7%	38.7%	38.8%	36.2%
Enterprise	%	61.7%	61.3%	61.3%	61.2%	63.8%

## 5.2.6 Digital Platforms &amp; Services Revenue mix by Product

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
Collaboration & CPaaS	%	43.7%	40.9%	40.8%	39.1%	37.9%
Cloud, Hosting and Security	%	28.5%	29.1%	27.6%	29.9%	29.8%
Next Gen Connectivity (IZO & SDWAN)	%	15.4%	16.1%	18.7%	16.1%	17.4%
Media Services	%	12.4%	13.9%	12.9%	14.9%	14.9%



### 5.3 Tata Communications – Voice

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
International Long Distance	Bn, Minutes	3.7	3.5	3.1	3.2	2.8
National Long Distance	Bn, Minutes	0.1	0.1	0.1	0.1	0.1
Total Volume	Bn, Minutes	3.9	3.6	3.2	3.3	2.9

### 5.4 Human Resource Analysis<sup>1</sup>

Particulars	UNITS	Quarter Ended				
		Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
Tata Communications	No.	6,741	6,827	6,926	7,229	7,529
TCTSL	No.	5,203	5,249	5,381	5,323	5,406
Total Employees	No.	11,944	12,076	12,307	12,552	12,935

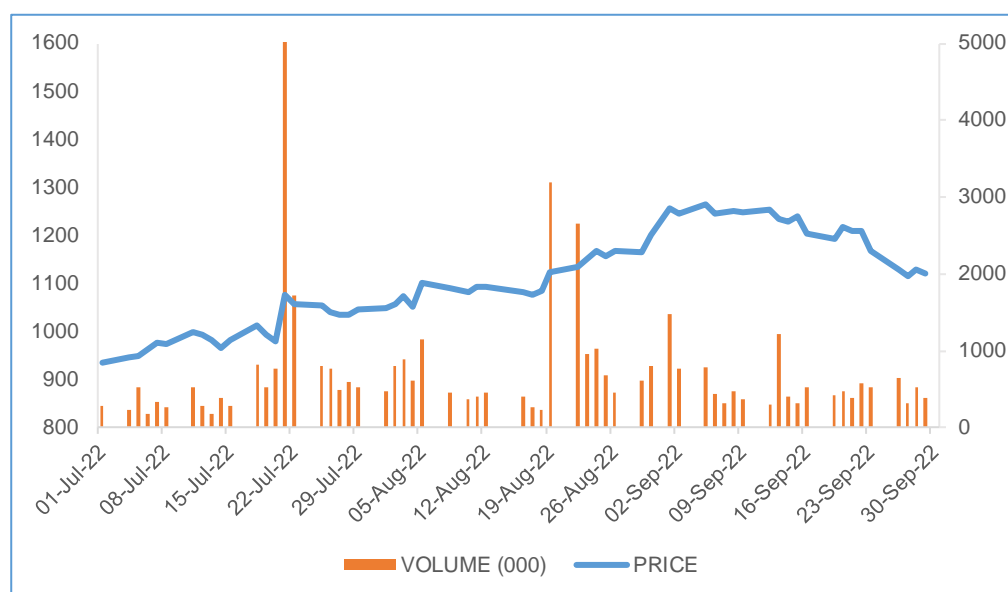
1. Exit Headcount as on date

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

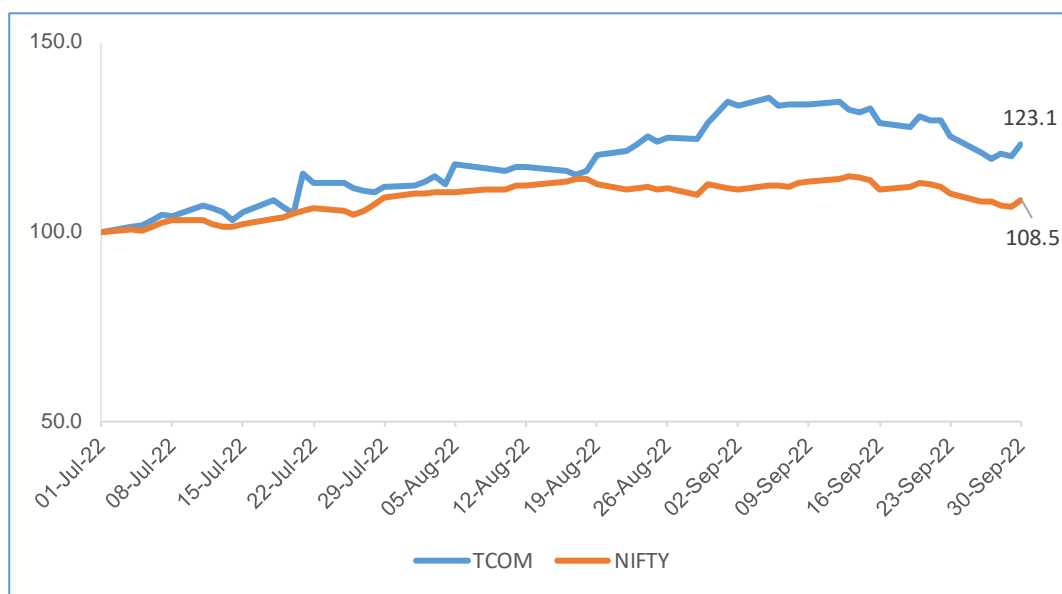
Shareholding and Financial Data	UNITS	Quarter Ended Sep 30, 2022
Code / Exchange		TATACOMM / NSE
Bloomberg		TCOM IN
No. of Shares Outstanding (30/09/2022)	Cr, No	28.5
Closing Market Price - NSE (30/09/2022)	₹ / Share	1,150.8
Combined Average Daily Volume (NSE and BSE)	Nos in 000/day	889.0
Combined Average Daily Value (NSE and BSE)	₹ Cr / day	85.2
Market Capitalisation (30/09/2022)	₹, Cr	32,798
Enterprise Value	₹, Cr	39,198
Enterprise Value / EBITDA (LTM)	Times	9.0

**6.2 Summarized Shareholding pattern as of September 30, 2022**

Category	% Holding
<b>Promoter &amp; Promoter Group</b>	
Tata Group	58.9%
<b>Sub-Total</b>	<b>58.9%</b>
<b>Public Shareholding</b>	
Domestic Institutions	13.6%
Foreign Institutions	17.0%
Non-Institutions (Retail)	10.5%
<b>Sub-Total</b>	<b>41.1%</b>
<b>Total</b>	<b>100%</b>

**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 FINANCIALS**

*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)**

<b>STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022</b>							
	<b>Particulars</b>	<b>For the quarter ended</b>			<b>For the half year ended</b>		<b>For the year ended</b>
		<b>September 30 2022</b>	<b>June 30 2022</b>	<b>September 30 2021</b>	<b>September 30 2022</b>	<b>September 30 2021</b>	<b>March 31 2022</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
1	<b>Income from operations</b>	4,430.74	4,310.52	4,174.02	8,741.26	8,276.81	16,724.73
2	Other income, net	36.62	233.99	36.42	270.61	49.77	332.09
3	<b>Total income (1 + 2)</b>	<b>4,467.36</b>	<b>4,544.51</b>	<b>4,210.44</b>	<b>9,011.87</b>	<b>8,326.58</b>	<b>17,056.82</b>
4	<b>Expenses</b>						
	a. Network and transmission expense	1,562.86	1,558.00	1,567.03	3,120.86	3,128.92	6,199.49
	b. Employee benefits expense	870.37	806.67	728.48	1,677.04	1,538.17	3,040.34
	c. Finance costs	97.78	79.90	90.82	177.68	187.03	360.25
	d. Depreciation and amortisation expense	551.63	536.86	541.60	1,088.49	1,073.36	2,204.54
	e. Other expenses	867.89	868.82	765.66	1,736.71	1,510.82	3,258.18
	<b>Total expenses (4a to 4e)</b>	<b>3,950.53</b>	<b>3,850.25</b>	<b>3,693.59</b>	<b>7,800.78</b>	<b>7,438.30</b>	<b>15,062.80</b>
5	Profit/(loss) before exceptional items, tax & share in profit/(loss) of associates (3 - 4)	516.83	694.26	516.85	1,211.09	888.28	1,994.02
6	Exceptional items (Refer note 2)	76.35	-	12.74	76.35	18.36	5.96
7	<b>Profit/(loss) before tax and share in profit/(loss) of associates (5 + 6)</b>	<b>593.18</b>	<b>694.26</b>	<b>529.59</b>	<b>1,287.44</b>	<b>906.64</b>	<b>1,999.98</b>
8	Tax expense/ (benefit): (Refer note 5 and 6)						
	a. Current tax	94.22	163.91	109.33	258.13	203.17	431.31
	b. Deferred tax	(28.37)	(4.77)	(5.55)	(33.14)	(20.12)	90.82
9	<b>Profit/(loss) before share in profit/(loss) of associates (7 - 8)</b>	<b>527.33</b>	<b>535.12</b>	<b>425.81</b>	<b>1,062.45</b>	<b>723.59</b>	<b>1,477.85</b>
10	Share in Profit/(Loss) of associates	6.93	9.70	0.64	16.63	(0.24)	6.82
11	<b>Profit for the period/year (9 + 10)</b>	<b>534.26</b>	<b>544.82</b>	<b>426.45</b>	<b>1,079.08</b>	<b>723.35</b>	<b>1,484.67</b>
	<b>Attributable to:</b>						
	Equity holders of the parent	532.29	543.76	425.38	1,076.05	721.49	1,481.76
	Non-controlling interest	1.97	1.06	1.07	3.03	1.86	2.91
12	Other Comprehensive Income/(loss) (net of tax)	(187.71)	(318.63)	(23.15)	(506.34)	(201.03)	(270.63)
13	<b>Total Comprehensive income for the period/year (11+12)</b>	<b>346.55</b>	<b>226.19</b>	<b>403.30</b>	<b>572.74</b>	<b>522.32</b>	<b>1,214.04</b>
	<b>Attributable to:</b>						
	Equity holders of the parent	344.58	225.13	402.23	569.71	520.46	1,211.13
	Non-controlling interest	1.97	1.06	1.07	3.03	1.86	2.91
14	Paid up equity share capital (Face value of `10 per share)	285.00	285.00	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 (₹)	18.68	19.08	14.93	37.76	25.32	51.99



## **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 Cash from Operations adjusted for Cash 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 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 capital employed.
CSR	Corporate Social Responsibility
Cash from Operations	Profit After Tax + Depreciation + Taxes + Interest Expense+ Non-Operating Exp– Lease Payment – Change in Working Capital – Cash Tax Paid + Tax Refund

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