
Quarterly report on the results for the quarter ended June 30, 2021.

Tata Communications Limited

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Supplemental Disclosures

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.

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

Particulars	UNITS	Full Year Ended			Quarter Ended				
		2019	2020	2021	June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
<u>Operating Highlights</u>									
95 th Percentile Bandwidth Usage	Tbps/month	11.4	16.7	17.3	15.6	16.1	17.3	17.3	16.9
Total Voice Minutes	Bn, Minutes	30.0	23.2	18.7	5.2	4.9	4.6	4.0	4.2
International Long Distance	Bn, Minutes	27.5	22.6	18.2	5.1	4.8	4.5	3.8	4.1
National Long Distance	Bn, Minutes	2.6	0.6	0.5	0.1	0.1	0.1	0.1	0.1
Revenue by Line of Business									
Voice	%	23.4%	19.8%	16.3%	18.2%	17.2%	16.0%	13.7%	14.4%
Data*	%	66.9%	69.6%	73.7%	72.1%	72.9%	74.0%	75.8%	75.7%
Core Connectivity	%	74.2%	72.3%	70.8%	69.1%	69.6%	72.0%	72.5%	71.9%
Digital Platforms and Services	%	25.2%	26.8%	28.2%	30.2%	29.3%	27.0%	26.3%	27.0%
Incubation Services	%	0.6%	0.9%	1.0%	0.7%	1.1%	1.0%	1.2%	1.2%
Others (Subsidiaries + Real Estate)	%	9.7%	10.6%	10.0%	9.7%	9.8%	10.0%	10.5%	10.0%
Data Revenue by Segment									
Service Provider	%	36.5%	33.1%	31.5%	31.2%	30.8%	31.9%	32.3%	31.1%
Enterprise	%	63.5%	66.9%	68.5%	68.8%	69.2%	68.1%	67.7%	68.9%
<u>Financials</u>									
Gross Revenue	₹, Cr	16,525	17,068	17,100	4,403	4,401	4,223	4,073	4,103
Net Revenue	₹, Cr	9,110	9,447	9,919	2,449	2,523	2,473	2,474	2,375
EBITDA	₹, Cr	2,745	3,289	4,261	1,042	1,158	1,046	1,015	986
EBIT	₹, Cr	677	931	1,947	452	586	489	420	454
Profit Before Tax	₹, Cr	343	140	1,609	340	501	381	386	377
Profit After Tax	₹, Cr	(82)	(86)	1251	258	384	309	299	296
Capex	₹, Cr	1,864	1,596	1,421	372	318	339	392	381
Free Cash Flow	₹, Cr	881	1,693	2,840	670	840	707	623	605
Total Capital Employed	₹, Cr	8,345	7,898	7,902	7,961	8,083	7,817	7,902	7836
Net Debt / (Net Cash)	₹, Cr	8,527	9,176	7,786	9,008	8,631	7,972	7,786	8001
<u>Key Ratios</u>									
EBITDA Margin	%	16.6%	19.3%	24.9%	23.7%	26.3%	24.8%	24.9%	24.0%
EBIT Margin	%	4.1%	5.5%	11.4%	10.3%	13.3%	11.6%	10.3%	11.1%
Net Profit Margin	%	(0.5%)	(0.5%)	7.3%	5.9%	8.7%	7.3%	7.3%	7.2%
Net Debt to EBITDA (LTM)	Times	3.1	2.8	1.8	2.6	2.3	1.9	1.8	1.9
Weighted Average Cost of Debt	%	3.72%	3.75%	2.88%	3.03%	2.80%	2.88%	2.81%	2.89%
Interest Coverage Ratio (LTM)	Times	1.71	1.98	4.63	2.35	3.07	3.80	4.63	4.87
Return on Capital Employed	%	8.3%	11.5%	24.6%	13.6%	17.3%	21.1%	24.6%	24.7%
<u>Valuation Indicators</u>									
Market Capitalisation	₹, Cr	17463	6645	30290	17436	24151	31370	30290	36682
Enterprise Value	₹, Cr	25990	15821	38076	26444	32782	39342	38076	44683
EV / EBITDA (LTM)	Times	9.47	4.81	8.94	7.54	8.56	9.56	8.94	10.49

*FY19 and FY20 numbers are as per old grouping and methodology

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-premise 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

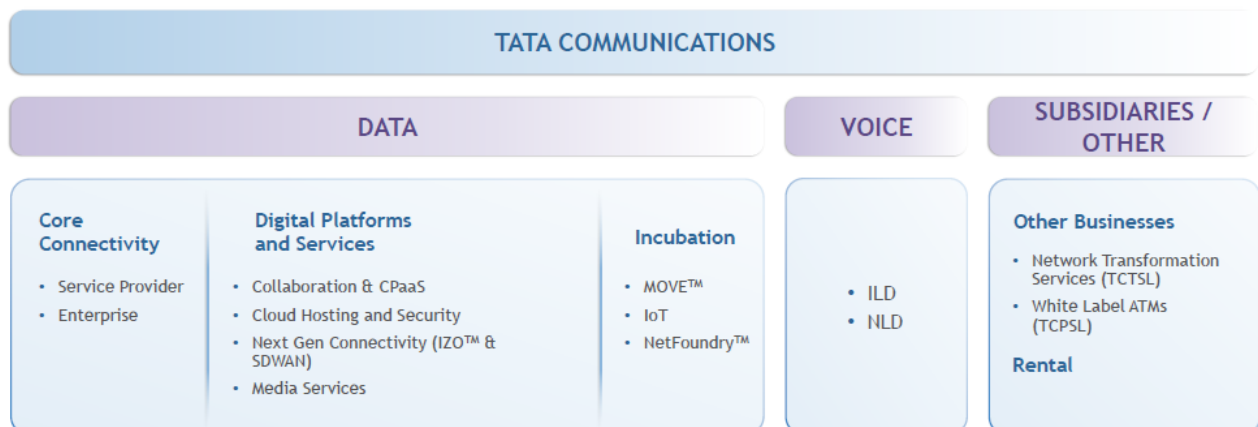
A2. (iv) Media and Entertainment Services: Our 'Media Ecosystem' provides solutions for every kind of enterprise in all segments of media and entertainment, including gaming, sports, news, cable, and broadcasting. Tata Communications' Media Ecosystem combines its traditional video contribution services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

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

Key Highlights - For the Quarter ended June 30, 2021

- **Consolidated –**

- **Revenue** for the quarter declined by 6.8% YoY, coming in at INR 4,103 Crore. Voice business declined by 26.3% YoY, Data business which declined by 42.2% YoY also added to the overall decline. Data revenue declined due to moderation in Collaboration traffic which was at peak in Q1FY21.
- **EBITDA** for the quarter at INR 986 crore. EBITDA was impacted by provision of INR 33 crore taken in Q1 for license fee on revenue from pure internet services.
- On 31st March 2021, DoT notified to amend ISP licenses granted under 2002 and 2007 regime. This amendment required ISPs to pay license fee on revenue from pure internet services which was allowed as a deduction under the definition of AGR in respective license agreements. This amendment was challenged in TDSAT by two ISPs and an interim stay was granted to all similarly placed license holders. While we believe we have strong arguments in the underlying case before the Supreme Court, we have made a provision for the license fee on revenue from pure internet services from 1st April 2021.
- Normalised for this impact, EBITDA would have been INR 1,019 crore.
- We continue to focus on profitability, despite decline in revenue and impact of this provision, we were able to maintain our EBITDA margin and in fact our EBITDA margin improved by 40 BPS on YoY basis.
- **Profit** for the quarter was INR 296 crore as compared to a profit of INR 258 crore in Q1FY21, witnessing a growth of 14.9% YoY. This translates into an EPS of INR 10.4 per share.
- **CAPEX** for Q1 was INR 381 crore as compared to INR 372 crore in Q1FY21
- **Net Debt** at the end of the quarter was INR 8,001 crore, this has marginally gone up as compared to last quarter on account of our annual employee bonus pay-outs in Q1 and higher working capital which tends to be elevated at the start of the year.
- Average cost of borrowing for the quarter was at 2.89%.

- **Data –**

- **Data business** revenue for the quarter came in at INR 3,104 Crore witnessing a decline of 2.2% YoY and a growth of 0.6% sequentially. YoY decline is primarily due to moderation of Collaboration traffic which peaked in Q1 of last year.
- Data Business EBITDA was at INR 932 Crore witnessing a decline of 2.3% YoY and a growth of 0.4% QoQ, despite the impact of license fee provision we have been able to maintain Data EBITDA margins at 30%.
- **Core Connectivity** – Q1 revenue at INR 2,231 crore, showing a growth of 1.7% YoY. Impact of license fee provision is visible in this segment which led to QoQ decline in EBITDA and contraction in margin.
- **Digital Platforms & Services** – Q1 revenue at INR 837 crore, witnessing a growth of 2.9% QoQ and a decline of 12.8% YoY. Revenue has declined YoY due to moderation of collaboration traffic that peaked in Q1 during first wave.
- **Transformation Services** – business has started stabilizing but at a slow rate. Transaction based business was impacted due to COVID 2nd wave while costs remained elevated
- Revenue was at INR 330 crore witnessing a decline of 0.7% YoY.

- **Payment solutions** – business continues to be affected by COVID, 2nd wave and the subsequent lockdowns affected the revenue. Average daily transactions for Q1 were 59 as compared to 75 in Q4FY21.
 - EBITDA for the quarter was INR 7 Crore.
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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					Full Year Ended		
	June 2021	Mar 2021	June 2020	QoQ Growth	YoY Growth	Mar 2021	Mar 2020	YoY Growth
Gross Revenue	4103	4073	4403	0.7%	(6.8%)	17,100	17,068	0.2%
Net Revenue	2375	2474	2449	(4.0%)	(3.1%)	9,919	9,447	5.0%
EBITDA ¹	986	1015	1042	(2.9%)	(5.3%)	4,261	3,289	29.5%
EBITDA Margin	24.0%	24.9%	23.7%			24.9%	19.3%	
Depreciation & Amortisation	532	595	590	(10.6%)	(9.9%)	2,314	2,358	(1.9%)
EBIT	454	420	452	8.1%	0.5%	1,947	931	109.0%
Other Income	13	58	15	(76.9%)	(9.5%)	157	70	125.0%
Finance Cost	96	93	116	3.4%	(17.3%)	420	471	(10.7%)
Exceptional Items (Loss)	6	1	(10)			(75)	(391)	
Profit Before Tax	377	386	340	(2.3%)	11.0%	1,609	140	1052.0%
Tax Expense	79	87	81	(9.1%)	(2.4%)	355	227	56.6%
Profit After Tax	296	299	258	(1.0%)	14.9%	1,251	(86)	
Cash Profit from Operations	890	922	925	(3.5%)	(3.8%)	3,840	2818	36.3%
Capex	381	392	372	(2.8%)	2.7%	1,421	1,596	(11.0%)
Free Cash Flow	605	623	670	(2.9%)	(9.8%)	2,840	1,693	67.7%

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

4.1.2 Summarized Statement of Consolidated Financial Position

Amount in ₹, Cr

Particulars	As at June 30, 2021	As at March 31, 2021
Shareholder's Fund		
Share Capital	285	285
Reserves and Surplus	(450)	(170)
Minority Interest Liability	27	28
Non-Current Liabilities	11,654	13,423
Current Liabilities	9,295	7,767
Total Liabilities	20,976	21,218
Total Equity and Liabilities	20,811	21,333
Assets		
Non-Current Assets	15,374	15,496
Fixed Assets	11,907	11,902
Investments	988	951
Others	2,479	2,643
Current Assets	5,437	5,837
Total Assets	20,811	21,333

4.2 Summarized Statement of Segments - Statement of Operations

4.2.1 Tata Communications – Data

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	June 2021	Mar 2021	June 2020	QoQ Growth	YoY Growth	Mar 2021	Mar 2020*	YoY Growth
Gross Revenue	3,104	3,088	3,176	0.6%	(2.2%)	12,599	11,875	6.1%
Net Revenue	2,205	2,254	2,218	(2.2%)	(0.6%)	9,081	8,502	6.8%
EBITDA	932	928	954	0.4%	(2.4%)	3,973	2,871	38.4%
EBITDA Margin	30.0%	30.1%	30.1%			31.5%	24.2%	
EBIT	431	372	408	15.9%	5.5%	1,829	713	156.5%
Capex ¹	332	325	302	2.0%	9.6%	1,162	1,230	(5.5%)
Free Cash Flow	600	603	652	(0.5%)	(8.0%)	2,811	1,641	71.3%

*FY20 number are as per old grouping and methodology

4.2.2 Tata Communications – Data (Core Connectivity)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	June 2021	Mar 2021	June 2020	QoQ Growth	YoY Growth	Mar 2021	Mar 2020*	YoY Growth
Gross Revenue	2,231	2,238	2,193	(0.3%)	1.7%	8,915	8,585	3.8%
Net Revenue	1,788	1,858	1,779	(3.8%)	0.5%	7,311	6,974	4.8%
EBITDA	951	979	948	(2.9%)	0.3%	3,935	3,237	21.6%
EBITDA Margin	42.6%	43.7%	43.2%			44.1%	37.7%	

*FY20 number are as per old grouping and methodology

4.2.3 Tata Communications – Data (Digital Platforms & Services)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	June 2021	Mar 2021	June 2020	QoQ Growth	YoY Growth	Mar 2021	Mar 2020*	YoY Growth
Gross Revenue	837	813	959	2.9%	(12.8%)	3,556	3,180	11.8%
Net Revenue	412	394	431	4.7%	(4.3%)	1,734	1,510	14.8%
EBITDA	75	56	106	34.0%	(29.5%)	426	199	114.1%
EBITDA Margin	9.0%	6.9%	11.1%			12.0%	6.3%	

*FY20 number are as per old grouping and methodology

4.2.4 Tata Communications – Data (Incubation Services)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	June 2021	Mar 2021	June 2020	QoQ Growth	YoY Growth	Mar 2021	Mar 2020*	YoY Growth
Gross Revenue	37	37	23	0.9%	60.4%	128	110	16.3%
Net Revenue	5	3	8	68.5%	(41.0%)	37	18	101.0%
EBITDA	(94)	(107)	(100)	n/a	n/a	(388)	(565)	n/a
EBITDA Margin	n/a	n/a	n/a			n/a	n/a	

*FY20 number are as per old grouping and methodology

4.3.1 Tata Communications – Others (Rentals)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	June 2021	Mar 2021	June 2020	QoQ Growth	YoY Growth	Mar 2021	Mar 2020	YoY Growth
Gross Revenue	41	40	43	2.5%	(4.6%)	166	161	3.4%
Net Revenue	41	40	43	2.5%	(4.6%)	166	161	3.4%
EBITDA	27	25	28	4.8%	(5.1%)	102	96	6.6%
EBITDA Margin	64.6%	63.2%	65.0%			61.5%	59.6%	

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

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	June 2021	Mar 2021	June 2020	QoQ Growth	YoY Growth	Mar 2021	Mar 2020	YoY Growth
Gross Revenue	330	341	333	(3.2%)	(0.7%)	1,328	1,312	1.2%
Net Revenue	29	63	50	(54.5%)	(42.4%)	183	126	45.6%
EBITDA	(6)	17	(3)	n/a	n/a	9	(25)	n/a
EBITDA Margin	(1.8%)	5.0%	(1.0%)			0.7%	(1.9%)	

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

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	June 2021	Mar 2021	June 2020	QoQ Growth	YoY Growth	Mar 2021	Mar 2020	YoY Growth
Gross Revenue	38	46	52	(18.2%)	(28.1%)	215	343	(37.3%)
Net Revenue	15	24	10	(38.3%)	48.4%	60	146	(59.1%)
EBITDA	7	9	(4)	n/a	n/a	6	84	n/a
EBITDA Margin	19.5%	20.1%	(7.6%)			2.8%	24.5%	

4.4.0 Tata Communications – Voice

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	June 2021	Mar 2021	June 2020	QoQ Growth	YoY Growth	Mar 2021	Mar 2020	YoY Growth
Gross Revenue	589	558	799	5.5%	(26.3%)	2,791	3,376	(17.3%)
Net Revenue	85	92	128	(8.0%)	(33.7%)	428	512	(16.3%)
EBITDA	26	35	67	(25.3%)	(60.4%)	170	263	(35.3%)
EBITDA Margin	4.5%	6.3%	8.3%			6.1%	7.8%	
EBIT	20	27	57	(24.9%)	(65.0%)	134	233	(42.4%)
Capex	2	3	13	(40.9%)	(85.2%)	22	11	99.7%
Free Cash Flow	24	32	54	(23.7%)	(54.5%)	148	252	(41.4%)

4.5.0 Tata Communications – Average Exchange Rate

Particulars	Quarter Ended			Full Year Ended	
	June 2021	Mar 2021	June 2020	Mar 2021	Mar 2020
INR / USD	73.8	72.9	75.9	74.3	70.9

Section 5

OPERATING HIGHLIGHTS

5.1 Tata Communications - Consolidated

5.1.1 Share of Gross Revenue by Segments

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
Voice	%	18.2%	17.2%	16.0%	13.7%	14.4%
Data	%	72.1%	72.9%	74.0%	75.8%	75.7%
Core Connectivity	%	69.1%	69.6%	72.0%	72.5%	71.9%
Digital Platforms and Services	%	30.2%	29.3%	27.0%	26.3%	27.0%
Incubation	%	0.7%	1.1%	1.0%	1.2%	1.2%
Others	%	9.7%	9.8%	10.0%	10.5%	10.0%

5.1.2 Share of Gross Revenue by Currency

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
Indian Rupee (INR)	%	39.0%	40.0%	38.0%	38.0%	38.0%
Other International Currencies	%	61.0%	60.0%	62.0%	62.0%	62.0%

5.1.3 Share of EBITDA by Segments

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
Voice	%	6.4%	4.3%	1.8%	3.5%	2.7%
Data	%	91.6%	93.8%	96.0%	91.4%	94.5%
Core Connectivity	%	99.3%	94.0%	98.3%	105.5%	102.1%
Digital Platforms and Services	%	11.2%	13.3%	11.8%	6.0%	8.1%
Incubation	%	(10.5%)	(7.3%)	(10.2%)	(11.5%)	(10.1%)
Others	%	2.0%	1.9%	2.2%	5.1%	2.8%

5.1.4 Capital Expenditure

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
Voice	₹, Cr	13	5	1	3	2
Data						
Core Connectivity	₹, Cr	238	207	191	270	294
Digital Platforms and Services	₹, Cr	42	30	67	37	24
Incubation	₹, Cr	23	23	15	18	13
Subs & Real Estate	₹, Cr	4	15	4	1	2
Other ¹	₹, Cr	52	37	61	63	46
Total Capex	₹, Cr	372	318	339	392	381

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

5.1.5 Debt Profile

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
Gross Debt						
Foreign Currency Loans	₹, Cr	10,397	10,144	9,417	9,051	8,645
INR Loans	₹, Cr	815	863	838	950	815
Weighted Average Cost of Debt	%	3.03%	2.80%	2.88%	2.81%	2.89%
Cash & Cash Equivalent	₹, Cr	2,204	2,375	2,282	2,215	1,459
Net Debt	₹, Cr	9,008	8,631	7,972	7,786	8,001

5.2 Tata Communications – Data Services

5.2.1 Data Traffic carried

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
95 th Percentile Bandwidth Usage	Tbps/month	15.6	16.1	17.3	17.3	16.9

5.2.2 Data Revenue by Geography

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
India	%	51.0%	54.0%	54.0%	56.0%	54.0%
Rest of World	%	49.0%	46.0%	46.0%	44.0%	46.0%

5.2.3 Share of Data Revenue by Segment

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
Service Provider / Carrier	%	31.2%	30.8%	31.9%	32.3%	31.1%
Enterprise	%	68.8%	69.2%	68.1%	67.7%	68.9%

5.2.4 Share of Data Revenue by Product Segments

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
Core Connectivity	%	69.1%	69.6%	72.0%	72.5%	71.9%
Digital Platforms and Services	%	30.2%	29.3%	27.0%	26.3%	27.0%
Incubation	%	0.7%	1.1%	1.0%	1.2%	1.2%

1. Core Connectivity includes Virtual Private Network, International Private Line, Internet Leased Line, Ethernet, Internet Protocol –Transit, Inmarsat, National Private Line, Mobility.

2. Digital Platforms and Services includes Collaboration and CPaaS, Cloud Hosting & Security, Next Gen Connectivity and Media Services

3. Incubation services include MOVE™, IoT and NetFoundry

5.2.5 Core Connectivity Revenue mix by customer segments

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
Service Provider (Wholesale)	%	40.7%	39.2%	39.6%	39.6%	38.7%
Enterprise	%	59.3%	60.8%	60.4%	60.4%	61.3%

5.2.6 Digital Platforms & Services Revenue mix by Product

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
Collaboration & CPaaS	%	62.0%	53.0%	48.0%	43.6%	45.3%
Cloud, Hosting and Security	%	20.3%	25.4%	26.1%	30.2%	27.1%
Next Gen Connectivity (IZO & SDWAN)	%	12.0%	12.7%	13.7%	15.6%	15.6%
Media Services	%	5.7%	9.0%	12.2%	10.5%	11.9%

5.2.7 Operating Metrics

	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
<u>Consolidated</u>						
Total Active Customers	No.	5,391	5,387	5,325	5,272	5,091
<u>Operating Metrics</u>						
IoT India						
Customers	No.	39	40	43	49	54
Devices Ordered (Cum.)	No.	3,01,707	3,02,527	3,35,953	3,64,028	3,68,391
Base Stations (Cum.)	No.	3,287	2,583	2,531	2,619	2,590
Cities Covered	No.	45	45	45	45	45
MOVE						
Customers	No.	170	160	181	187	190
SIMs Ordered (Cum.)	No.	11,79,140	12,01,826	13,55,609	16,05,611	17,30,255
Security & Hosting						
Managed Cloud Instances	No.	10,346	10,943	11,608	11,875	12,546
Devices Managed (Network + Security)	No.	5,347	5,518	6,424	6,446	6,291
Block / Object Storage (Provisioned)	TB	33,269	33,456	33,797	34,343	36,613
NetFoundry						
Unique Customers	No.	34	47	62	66	65

5.3 Tata Communications – Payment Solutions

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
White Label ATMs	No.	8249	7613	6682	6184	6322
Total POS Managed	No.	3412	3219	3169	2076	2019

5.4 Tata Communications – Voice

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
International Long Distance	Bn, Minutes	5.1	4.8	4.5	3.8	4.1
National Long Distance	Bn, Minutes	0.1	0.1	0.1	0.1	0.1
Total Volume	Bn, Minutes	5.2	4.9	4.6	4.0	4.2

5.5 Human Resource Analysis¹

Particulars	UNITS	Quarter Ended				
		June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021
Tata Communications	No.	6,955	7,048	6,994	6,940	6,760
TCTSL	No.	5,044	5,043	5,110	5,104	5,129
Total Employees	No.	11999	12091	12104	12044	11889

1. Exit Headcount as on date

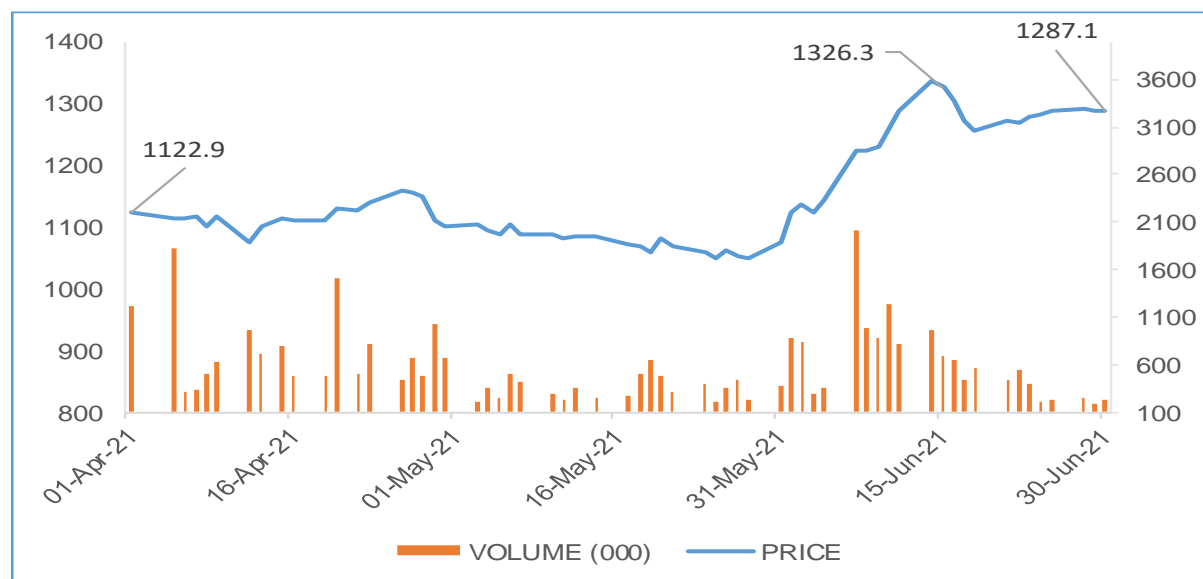
Section 6**STOCK MARKET HIGHLIGHTS****6.1 General Information**

Shareholding and Financial Data	UNITS	Quarter Ended June 30, 2021
Code / Exchange		TATACOMM / NSE
Bloomberg		TCOM IN
No. of Shares Outstanding (30/06/2021)	Cr, No	28.5
Closing Market Price - NSE (30/06/2021)	₹ / Share	1287.1
Combined Average Daily Volume (NSE and BSE)	Nos in 000/day	582
Combined Average Daily Value (NSE and BSE)	₹ Cr / day	67.0
Market Capitalisation (30/06/2021)	₹, Cr	36682.3
Enterprise Value	₹, Cr	44683.3
Enterprise Value / EBITDA (LTM)	Times	10.5

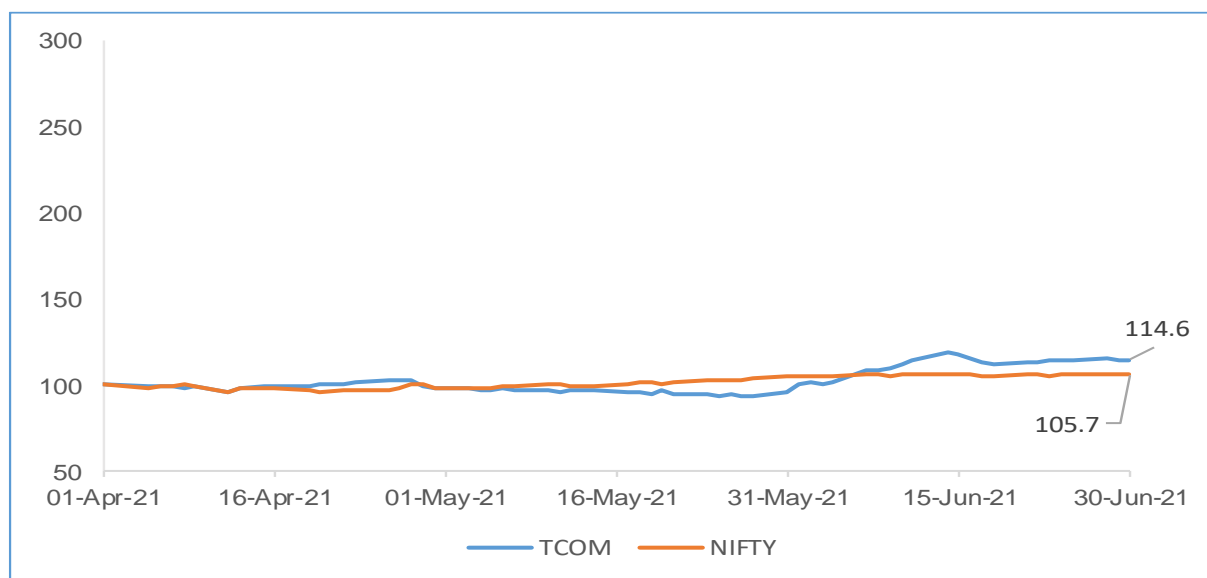
6.2 Summarized Shareholding pattern as of June 30, 2021

Category	% Holding
Promoter & Promoter Group	
Tata Group	58.9%
Sub-Total	58.9%
Public Shareholding	
Domestic Institutions	7.3%
Foreign Institutions	24.3%
Non-Institutions (Retail)	9.5%
Sub-Total	41.1%
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 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)

7.1.1 Consolidated Statement of Income

(` in Crores)

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021				
Particulars	For the quarter ended			For the year ended
	June 30 2021	March 31 2021	June 30 2020	March 31 2021
	(Unaudited)	(Refer Note 2)	(Unaudited)	(Audited)
1 Income from operations	4,102.79	4,073.25	4,402.94	17,100.10
2 Other income, net	13.35	57.70	14.74	156.76
3 Total income (1 + 2)	4,116.14	4,130.95	4,417.68	17,256.86
4 Expenses				
a. Network and transmission expense	1,561.89	1,461.46	1,780.40	6,513.66
b. Employee benefits expense	809.69	754.70	762.44	3,049.09
c. Finance costs	96.21	93.07	116.29	420.20
d. Depreciation and amortisation expense	531.76	595.03	589.93	2,313.87
e. Other expenses	745.16	841.90	818.34	3,276.77
Total expenses (4a to 4e)	3,744.71	3,746.16	4,067.40	15,573.59
5 Profit before exceptional items, tax & share of profit/(loss) of associates (3 - 4)	371.43	384.79	350.28	1,683.27
6 Exceptional items (Refer note 3)	5.62	1.15	(10.49)	(74.72)
7 Profit/(Loss) from operations before tax and share of profit/(loss) of associates (5 + 6)	377.05	385.94	339.79	1,608.55
8 Tax expense/ (benefit):				
a. Current tax	93.84	61.75	118.82	406.49
b. Deferred tax	(14.57)	25.46	(37.61)	(51.60)
9 Profit/(loss) before share of profit/(loss) of associates (7 - 8)	297.78	298.73	258.58	1,253.66
10 Share in Profit/(Loss) of associates	(0.88)	0.50	(0.51)	(2.14)
11 Profit/ (loss) for the period (9 + 10)	296.90	299.23	258.07	1,251.52
Attributable to:				
Equity holders of the parent	296.11	299.20	257.80	1,250.63
Non-controlling interest	0.79	0.03	0.27	0.89
12 Other Comprehensive Income/(loss) (net of tax)	(177.88)	(28.68)	(26.64)	257.19
13 Total Comprehensive income/(loss) (11+12)	119.02	270.55	231.43	1,508.71
Attributable to:				
Equity holders of the parent	118.23	270.52	231.16	1,507.82
Non-controlling interest	0.79	0.03	0.27	0.89
14 Paid up equity share capital (Face value of ` 10 per share)	285.00	285.00	285.00	285.00
15 Reserves excluding Revaluation reserve				(375.60)
16 Earnings per share (of ` 10/- each) (not annualised)				
Basic and diluted earnings per share (`)	10.39	10.50	9.05	43.88

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).
Cash Profit from Operation	Profit before tax excluding other income, Exceptional Gain and including Depreciation & Amortization and Exceptional Loss
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 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

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