

---

**Quarterly report on the results for the quarter ended December 31, 2021.**

**Tata Communications Limited**

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



**January 19, 2022**

---

## **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.

**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				
		2019	2020	2021	Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
<b><u>Operating Highlights</u></b>									
95 <sup>th</sup> Percentile Bandwidth Usage	Tbps/month	11.4	16.7	17.3	17.3	17.3	16.9	17.3	18.6
Total Voice Minutes	Bn, Minutes	30.0	23.2	18.7	4.6	4.0	4.2	3.9	3.6
International Long Distance	Bn, Minutes	27.5	22.6	18.2	4.5	3.8	4.1	3.7	3.5
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%	16.0%	13.7%	14.4%	14.5%	13.2%
Data*	%	66.9%	69.6%	73.7%	74.0%	75.8%	75.7%	75.2%	77.3%
Core Connectivity	%	74.2%	72.3%	70.8%	71.9%	72.4%	71.9%	71.4%	70.5%
Digital Platforms and Services	%	25.2%	26.8%	28.2%	27.0%	26.4%	27.0%	27.3%	27.9%
Incubation Services	%	0.6%	0.9%	1.0%	1.0%	1.2%	1.2%	1.4%	1.7%
Others (Subsidiaries + Real Estate)	%	9.7%	10.6%	10.0%	10.0%	10.5%	10.0%	10.3%	9.5%
Data Revenue by Segment									
Service Provider	%	36.5%	33.1%	31.5%	31.9%	32.3%	31.1%	30.6%	30.6%
Enterprise	%	63.5%	66.9%	68.5%	68.1%	67.7%	68.9%	69.4%	69.4%
<b><u>Financials</u></b>									
Gross Revenue	₹, Cr	16,525	17,068	17,100	4,223	4,073	4,103	4,174	4,185
Net Revenue	₹, Cr	9,110	9,447	9,919	2,473	2,474	2,375	2,438	2,521
EBITDA	₹, Cr	2,745	3,289	4,261	1,046	1,015	986	1,113	1,082
EBIT	₹, Cr	677	931	1,947	489	420	454	571	540
Profit Before Tax	₹, Cr	343	140	1,609	381	386	377	530	484
Profit After Tax	₹, Cr	(82)	(86)	1,251	309	299	296	425	395
Capex	₹, Cr	1,864	1,596	1,421	339	392	381	392	400
Free Cash Flow	₹, Cr	881	1,693	2,840	707	623	605	721	682
Total Capital Employed	₹, Cr	8,345	7,898	7,902	7,817	7,902	7,836	7,998	7,816
Net Debt / (Net Cash)	₹, Cr	8,527	9,176	7,786	7,972	7,786	8,001	7,761	7,189
<b><u>Key Ratios</u></b>									
EBITDA Margin	%	16.6%	19.3%	24.9%	24.8%	24.9%	24.0%	26.7%	25.9%
EBIT Margin	%	4.1%	5.5%	11.4%	11.6%	10.3%	11.1%	13.7%	12.9%
Net Profit Margin	%	(0.5%)	(0.5%)	7.3%	7.3%	7.3%	7.2%	10.2%	9.4%
Net Debt to EBITDA (LTM)	Times	3.1	2.8	1.8	1.9	1.8	1.9	1.9	1.7
Weighted Average Cost of Debt	%	3.72%	3.75%	2.88%	2.88%	2.81%	2.89%	2.87%	2.69%
Interest Coverage Ratio (LTM)	Times	1.71	1.98	4.63	3.80	4.63	4.87	5.03	5.46
Return on Capital Employed	%	8.3%	11.5%	24.6%	21.1%	24.6%	24.7%	24.1%	25.4%
<b><u>Valuation Indicators</u></b>									
Market Capitalisation	₹, Cr	17463	6645	30290	31370	30290	36682	39665	41737
Enterprise Value	₹, Cr	25990	15821	38076	39342	38076	44683	47426	48926
EV / EBITDA (LTM)	Times	9.47	4.81	8.94	9.56	8.94	10.49	11.40	11.66

\*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 multi-national 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

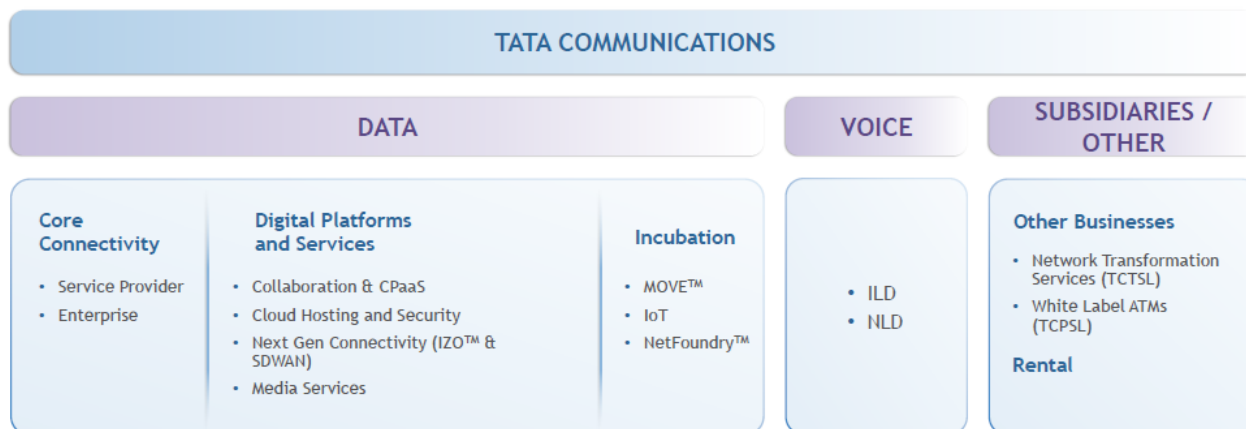
**A2. (iv) Media and Entertainment Services:** Our 'Media Ecosystem' provides solutions for every kind of enterprise in all segments of media and entertainment, including gaming, sports, news, cable, and broadcasting. Tata Communications' Media Ecosystem combines its traditional video contribution services 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 December 31, 2021**

- **Consolidated –**

- **Revenue** for the quarter grew by 0.3% QoQ and declined by 0.9% YoY, coming in at INR 4,185 Crore. Sequential growth is due to pick up in business and improvement across all Data segments. YoY decline is primarily due to degrowth in Voice business
- **EBITDA** for the quarter at INR 1,082 crore witnessing a growth of 3.5% YoY and a decline of 2.7% QoQ. Normalising for one-off benefit in Q2; EBITDA grew by 1.8% QoQ.
- Our continuous focus is on process improvements and bringing in efficiency to maintain healthy margins. EBITDA margin for the quarter was at 25.9%, margins improved by 110 BPs on YoY basis
- **Profit** for the quarter was INR 395 crore as compared to a profit of INR 309 crore in Q3FY21, witnessing a growth of 27.8% YoY. This translates into Earnings Per Share (EPS) of INR 13.9
- **CAPEX** for Q3 was at INR 400 crore as compared to INR 339 crore in Q3FY21
- **Net Debt** at the end of the quarter was INR 7,189 crore, down by INR 572 crore QoQ and 783 cr YoY. This is on the back of a better working capital mix and robust operating free cash flow generation
- Average cost of borrowing for the quarter was at 2.69%.

- **Data –**

- **Data business** revenue for the quarter came in at INR 3,233 Crore witnessing a growth of 3.4% YoY and 3.0% sequential growth. Data business continues to recover and all segments within Data have witnessed both sequential and YoY growth.
  - Data Business EBITDA was at INR 1,041 Crore witnessing a growth of 3.6% YoY and a decline of 0.8% QoQ. EBITDA margins were at 32.2% - an increase of 10 BPs over same quarter last year
  - **Core Connectivity** – Q3 revenue at INR 2,278 crore, witnessing a steady growth of 1.6% QoQ and 1.3% on YoY basis.
  - **Digital Platforms & Services** – Q3 revenue at INR 901 crore, witnessing a growth of 5.2% QoQ and 6.7% YoY. Except Collaboration, all sub-segments within Digital grew in double digits and witnessed a sequential growth in range of 7-20%. The underlying trends are positive for this business
  - **Incubation Services** – Q3 revenue at INR 54 crore, witnessing a growth of 26.4% QoQ and 67.0% YoY on the back of new deal wins and scale up of usage in existing accounts
  - **Transformation Services** – This business continues to remain impacted due to slower than expected growth in international business
  - Revenue was at INR 313 crore witnessing a decline of 2.8% YoY and 6.7% QoQ.
  - **Payment solutions** – business continues to remain impacted due to 3<sup>rd</sup> COVID wave. Average daily transactions for Q3 were 57 as compared to 56 in Q2 FY22. We have started to see benefit of increased bank interchange fee from August 2021. Revenue for the quarter grew by 6.4% QoQ and declined by 26.4% YoY.
-

**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					Nine Month Ended		
	Dec 2021	Sep 2021	Dec 2020	QoQ Growth	YoY Growth	Dec 2021	Dec 2020	YoY Growth
Gross Revenue	4185	4174	4223	0.3%	(0.9%)	12,462	13,027	(4.3%)
Net Revenue	2521	2438	2473	3.4%	2.0%	7,334	7,445	(1.5%)
EBITDA <sup>1</sup>	1082	1113	1046	(2.7%)	3.5%	3,181	3,245	(2.0%)
EBITDA Margin	25.9%	26.7%	24.8%			25.5%	24.9%	
Depreciation & Amortisation	542	542	557	0.2%	(2.6%)	1,616	1,719	(6.0%)
EBIT	540	571	489	(5.5%)	10.4%	1,566	1,527	2.6%
Other Income	19	36	8	(48.4%)	128.7%	69	99	(30.8%)
Finance Cost	83	91	104	(8.1%)	(20.1%)	270	327	(17.3%)
Exceptional Items (Loss)	8	13	(11)			27	(76)	
Profit Before Tax	484	530	381	(8.6%)	26.8%	1,390	1,223	13.7%
Tax Expense	96	104	71	(7.7%)	34.7%	279	268	4.2%
Profit After Tax	395	425	309	(7.1%)	27.8%	1,117	951	17.4%
Cash Profit from Operations	999	1022	942	(2.3%)	6.1%	2,911	2,918	(0.3%)
Capex	400	392	339	2.2%	18.0%	1,174	1,029	14.1%
Free Cash Flow	682	721	707	(5.4%)	(3.5%)	2,008	2,217	(9.4%)

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

**4.1.2 Summarized Statement of Consolidated Financial Position**

Amount in ₹, Cr

Particulars	As at Dec 31, 2021	As at March 31, 2021
<b>Shareholder's Fund</b>		
Share Capital	285	285
Reserves and Surplus	342	(170)
Minority Interest Liability	25	28
Non-Current Liabilities	11,034	13,423
Current Liabilities	8,025	7,767
<b>Total Liabilities</b>	19,083	21,218
<b>Total Equity and Liabilities</b>	19,711	21,333
<b>Assets</b>		
Non-Current Assets	14,840	15,496
Fixed Assets	11,609	11,902
Investments	1,006	951
Others	2,224	2,643
Current Assets	4,871	5,837
<b>Total Assets</b>	19,711	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					Nine Month Ended		
	Dec 2021	Sep 2021	Dec 2020	QoQ Growth	YoY Growth	Dec 2021	Dec 2020	YoY Growth
Gross Revenue	3,233	3,140	3,126	3.0%	3.4%	9,477	9,512	(0.4%)
Net Revenue	2,349	2,252	2,300	4.3%	2.2%	6,806	6,827	(0.3%)
EBITDA	1,041	1,049	1,004	(0.8%)	3.6%	3,022	3,045	(0.8%)
EBITDA Margin	32.2%	33.4%	32.1%			31.9%	32.0%	
EBIT	529	538	491	(1.7%)	7.8%	1,498	1,458	2.7%
Capex <sup>1</sup>	301	349	273	(13.6%)	10.2%	981	836	17.3%
Free Cash Flow	740	701	731	5.6%	1.2%	2,040	2,208	(7.6%)

### 4.2.2 Tata Communications – Data (Core Connectivity)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Nine Month Ended		
	Dec 2021	Sep 2021	Dec 2020	QoQ Growth	YoY Growth	Dec 2021	Dec 2020	YoY Growth
Gross Revenue	2,278	2,241	2,249	1.6%	1.3%	6,749	6,675	1.1%
Net Revenue	1,860	1,808	1,845	2.9%	0.9%	5,456	5,451	0.1%
EBITDA	1,013	1,029	987	(1.5%)	2.6%	2,994	2,955	1.3%
EBITDA Margin	44.5%	45.9%	43.9%			44.4%	44.3%	

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

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Nine Month Ended		
	Dec 2021	Sep 2021	Dec 2020	QoQ Growth	YoY Growth	Dec 2021	Dec 2020	YoY Growth
Gross Revenue	901	856	845	5.2%	6.7%	2,594	2,745	(5.5%)
Net Revenue	478	442	447	8.1%	6.9%	1,332	1,342	(0.7%)
EBITDA	119	122	119	(1.8%)	(0.1%)	314	371	(15.3%)
EBITDA Margin	13.2%	14.2%	14.1%			12.1%	13.5%	

### 4.2.4 Tata Communications – Data (Incubation Services)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Nine Month Ended		
	Dec 2021	Sep 2021	Dec 2020	QoQ Growth	YoY Growth	Dec 2021	Dec 2020	YoY Growth
Gross Revenue	54	43	32	26.4%	67.0%	134	92	46.3%
Net Revenue	12	2	8	406.0%	37.5%	19	34	(44.8%)
EBITDA	(91)	(101)	(102)	n/a	n/a	(287)	(281)	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					Nine Month Ended		
	Dec 2021	Sep 2021	Dec 2020	QoQ Growth	YoY Growth	Dec 2021	Dec 2020	YoY Growth
Gross Revenue	41	52	42	(20.3%)	(0.1%)	135	126	6.8%
Net Revenue	41	52	42	(20.4%)	(0.3%)	135	126	6.7%
EBITDA	25	36	27	(31.1%)	(6.6%)	87	77	13.6%
EBITDA Margin	59.8%	69.2%	64.0%			64.9%	61.0%	

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

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Nine Month Ended		
	Dec 2021	Sep 2021	Dec 2020	QoQ Growth	YoY Growth	Dec 2021	Dec 2020	YoY Growth
Gross Revenue	313	335	322	(6.7%)	(2.8%)	978	987	-0.9%
Net Revenue	26	19	35	33.4%	(26.1%)	74	121	(38.6%)
EBITDA	(27)	(21)	(9)	n/a	n/a	(55)	(8)	n/a
EBITDA Margin	(8.7%)	(6.4%)	(2.8%)			(5.6%)	(0.8%)	

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

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Nine Month Ended		
	Dec 2021	Sep 2021	Dec 2020	QoQ Growth	YoY Growth	Dec 2021	Dec 2020	YoY Growth
Gross Revenue	44	41	59	6.4%	(26.4%)	122	169	(28.0%)
Net Revenue	15	15	18	0.9%	(16.5%)	45	36	24.9%
EBITDA	1	3	5	n/a	n/a	12	(3)	n/a
EBITDA Margin	2.2%	8.3%	8.6%			9.6%	(1.9%)	

#### 4.4.0 Tata Communications – Voice

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Nine Month Ended		
	Dec 2021	Sep 2021	Dec 2020	QoQ Growth	YoY Growth	Dec 2021	Dec 2020	YoY Growth
Gross Revenue	554	606	674	(8.6%)	(17.8%)	1,749	2,232	(21.6%)
Net Revenue	89	100	78	(10.5%)	14.4%	274	336	(18.3%)
EBITDA	43	46	19	(6.2%)	124.4%	115	135	(14.7%)
EBITDA Margin	7.8%	7.6%	2.8%			6.6%	6.1%	
EBIT	37	39	10	(6.9%)	263.4%	96	107	(10.5%)
Capex	1	1	1	4.1%	(23.3%)	4	19	(80.9%)
Free Cash Flow	42	45	18	(6.4%)	134.2%	112	116	(3.7%)

#### 4.5.0 Tata Communications – Average Exchange Rate

Particulars	Quarter Ended			Nine Month Ended	
	Dec 2021	Sep 2021	Dec 2020	Dec 2021	Dec 2020
INR / USD	74.9	74.1	73.8	74.3	74.7

## Section 5

### OPERATING HIGHLIGHTS

#### 5.1 Tata Communications - Consolidated

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

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
<b>Voice</b>	%	16.0%	13.7%	14.4%	14.5%	13.2%
<b>Data</b>	%	74.0%	75.8%	75.7%	75.2%	77.3%
Core Connectivity	%	71.9%	72.4%	71.9%	71.4%	70.5%
Digital Platforms and Services	%	27.0%	26.4%	27.0%	27.3%	27.9%
Incubation	%	1.0%	1.2%	1.2%	1.4%	1.7%
<b>Others</b>	%	10.0%	10.5%	10.0%	10.3%	9.5%

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

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
Indian Rupee (INR)	%	38.0%	38.0%	38.0%	37.0%	37.0%
Other International Currencies	%	62.0%	62.0%	62.0%	63.0%	63.0%

##### 5.1.3 Share of EBITDA by Segments

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
<b>Voice</b>	%	1.8%	3.5%	2.7%	4.1%	4.0%
<b>Data</b>	%	96.0%	91.4%	94.5%	94.3%	96.1%
Core Connectivity	%	98.3%	105.3%	102.2%	98.1%	97.3%
Digital Platforms and Services	%	11.9%	6.2%	7.9%	11.6%	11.5%
Incubation	%	(10.2%)	(11.5%)	(10.1%)	(9.6%)	(8.8%)
<b>Others</b>	%	2.2%	5.1%	2.8%	1.6%	(0.1%)

##### 5.1.4 Capital Expenditure

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
<b>Voice</b>	₹, Cr	1	3	2	1	1
<b>Data</b>						
Core Connectivity	₹, Cr	191	270	295	270	211
Digital Platforms and Services	₹, Cr	67	37	24	51	66
Incubation	₹, Cr	15	18	13	27	23
Subs & Real Estate	₹, Cr	19	10	12	4	45
<b>Other<sup>1</sup></b>	₹, Cr	46	54	36	38	54
<b>Total Capex</b>	₹, Cr	339	392	381	392	400

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

## 5.1.5 Debt Profile

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
Gross Debt						
Foreign Currency Loans	₹, Cr	9,417	9,051	8,645	8,262	7,630
INR Loans	₹, Cr	838	950	815	828	736
Weighted Average Cost of Debt	%	2.88%	2.81%	2.89%	2.87%	2.69%
Cash & Cash Equivalent	₹, Cr	2,282	2,215	1,459	1,329	1,177
<b>Net Debt</b>	₹, Cr	<b>7,972</b>	<b>7,786</b>	<b>8,001</b>	<b>7,761</b>	<b>7,189</b>

## 5.2 Tata Communications – Data Services

## 5.2.1 Data Traffic carried

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
95 <sup>th</sup> Percentile Bandwidth Usage	Tbps/month	17.3	17.3	16.9	17.3	18.6

## 5.2.2 Data Revenue by Geography

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
India	%	47.2%	48.5%	48.5%	49.5%	49.4%
Rest of World	%	52.8%	51.5%	51.5%	50.5%	50.6%

## 5.2.3 Share of Data Revenue by Segment

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
Service Provider / Carrier	%	31.9%	32.3%	31.1%	30.6%	30.6%
Enterprise	%	68.1%	67.7%	68.9%	69.4%	69.4%

## 5.2.4 Share of Data Revenue by Product Segments

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
Core Connectivity	%	71.9%	72.4%	71.9%	71.4%	70.5%
Digital Platforms and Services	%	27.0%	26.4%	27.0%	27.3%	27.9%
Incubation	%	1.0%	1.2%	1.2%	1.4%	1.7%

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				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
Service Provider (Wholesale)	%	39.6%	39.6%	38.7%	38.3%	38.7%
Enterprise	%	60.4%	60.4%	61.3%	61.7%	61.3%



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

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
Collaboration & CPaaS	%	48.0%	43.5%	45.3%	43.7%	40.9%
Cloud, Hosting and Security	%	26.1%	30.1%	27.1%	28.5%	29.1%
Next Gen Connectivity (IZO & SDWAN)	%	13.8%	15.9%	15.6%	15.4%	16.1%
Media Services	%	12.2%	10.5%	11.9%	12.4%	13.9%

### 5.2.7 Operating Metrics

	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
<b>Consolidated</b>						
Total Active Customers	No.	5,325	5,272	5,092	5,282	5,037
<b>Operating Metrics</b>						
<b>IoT India</b>						
Customers	No.	43	49	54	59	65
Devices Ordered (Cum.)	No.	3,35,953	3,64,028	3,68,391	3,77,308	4,70,038
Base Stations (Cum.)	No.	2,531	2,619	2,590	2,590	2,646
Cities Covered	No.	45	45	45	45	45
<b>MOVE</b>						
Customers	No.	181	187	190	209	216
SIMs Ordered (Cum.)	No.	13,55,609	16,05,611	17,30,255	19,76,653	21,21,572
<b>Security &amp; Hosting</b>						
Managed Cloud Instances	No.	11,608	11,875	12,546	13,145	13,581
Devices Managed (Network + Security)	No.	6,424	6,446	6,291	6,295	6,368
Block / Object Storage (Provisioned)	TB	33,797	34,343	36,613	36,968	38,656
<b>NetFoundry</b>						
Unique Customers	No.	62	66	65	68	61

### 5.3 Tata Communications – Payment Solutions

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
White Label ATMs	No.	6682	6184	6322	6663	7036
Total POS Managed	No.	3169	2076	2019	1637	165

### 5.4 Tata Communications – Voice

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
International Long Distance	Bn, Minutes	4.5	3.8	4.1	3.7	3.5
National Long Distance	Bn, Minutes	0.1	0.1	0.1	0.1	0.1
Total Volume	Bn, Minutes	4.6	4.0	4.2	3.9	3.6

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

Particulars	UNITS	Quarter Ended				
		Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021
Tata Communications	No.	6,994	6,940	6,760	6,741	6,827
TCTSL	No.	5,110	5,104	5,129	5,203	5,249
Total Employees	No.	12104	12044	11889	11944	12076

1. Exit Headcount as on date

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

Shareholding and Financial Data	UNITS	Quarter Ended Dec 30, 2021
Code / Exchange		TATA COMM / NSE
Bloomberg		TCOM IN
No. of Shares Outstanding (31/12/2021)	Cr, No	28.5
Closing Market Price - NSE (31/12/2021)	₹ / Share	1464.5
Combined Average Daily Volume (NSE and BSE)	Nos in 000/day	516
Combined Average Daily Value (NSE and BSE)	₹ Cr / day	69.6
Market Capitalisation (31/12/2021)	₹, Cr	41736.8
Enterprise Value	₹, Cr	48925.5
Enterprise Value / EBITDA (LTM)	Times	11.7

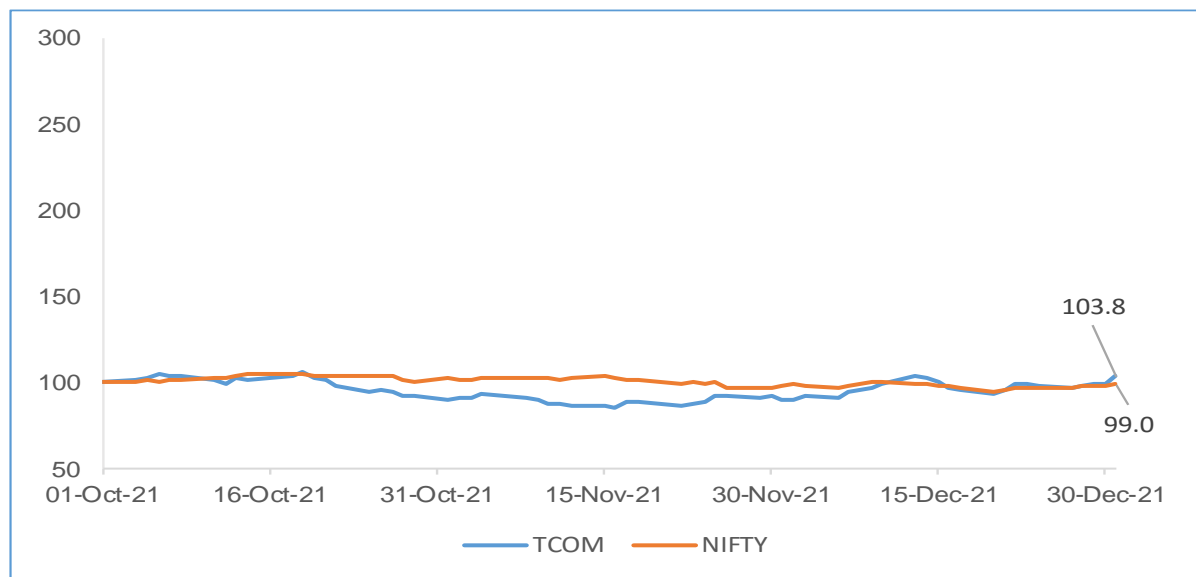
**6.2 Summarized Shareholding pattern as of December 31, 2021**

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	8.9%
Foreign Institutions	21.6%
Non-Institutions (Retail)	10.6%
<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 NINE MONTHS ENDED DECEMBER 31, 2021 (INR Crores)</b>							
	Particulars	For the quarter ended			For the nine months ended		For the year ended
		December 31 2021	September 30 2021	December 31 2020	December 31 2021	December 31 2020	March 31 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>	4,184.89	4,174.02	4,222.83	12,461.70	13,026.85	17,100.10
2	Other income, net	18.80	36.42	8.22	68.57	99.06	156.76
3	<b>Total income (1 + 2)</b>	<b>4,203.69</b>	<b>4,210.44</b>	<b>4,231.05</b>	<b>12,530.27</b>	<b>13,125.91</b>	<b>17,256.86</b>
4	<b>Expenses</b>						
	a. Network and transmission expense	1,530.18	1,567.03	1,597.22	4,659.10	5,052.20	6,513.66
	b. Employee benefits expense	733.79	728.48	770.01	2,271.96	2,294.39	3,049.09
	c. Finance costs	83.45	90.82	104.43	270.48	327.13	420.20
	d. Depreciation and amortisation expense	542.46	541.60	556.98	1,615.82	1,718.84	2,313.87
	e. Other expenses	838.44	765.66	809.50	2,349.26	2,434.87	3,276.77
	<b>Total expenses (4a to 4e)</b>	<b>3,728.32</b>	<b>3,693.59</b>	<b>3,838.14</b>	<b>11,166.62</b>	<b>11,827.43</b>	<b>15,573.59</b>
5	Profit before exceptional items, tax & share of profit/(loss) of associates (3 - 4)	475.37	516.85	392.91	1,363.65	1,298.48	1,683.27
6	Exceptional items (Refer note 2)	8.49	12.74	(11.43)	26.85	(75.87)	(74.72)
7	<b>Profit from operations before tax and share of profit/(loss) of associates (5 + 6)</b>	<b>483.86</b>	<b>529.59</b>	<b>381.48</b>	<b>1,390.50</b>	<b>1,222.61</b>	<b>1,608.55</b>
8	Tax expense/ (benefit):						
	a. Current tax	106.12	109.33	99.14	309.29	344.74	406.49
	b. Deferred tax	(10.31)	(5.55)	(28.01)	(30.43)	(77.06)	(51.60)
9	<b>Profit/(loss) before share of profit/(loss) of associates (7 - 8)</b>	<b>388.05</b>	<b>425.81</b>	<b>310.35</b>	<b>1,111.64</b>	<b>954.93</b>	<b>1,253.66</b>
10	Share in Profit/(Loss) of associates	4.60	0.64	(0.94)	4.36	(2.64)	(2.14)
11	<b>Profit/ (loss) for the period (9 + 10)</b>	<b>392.65</b>	<b>426.45</b>	<b>309.41</b>	<b>1,116.00</b>	<b>952.29</b>	<b>1,251.52</b>
	<b>Attributable to:</b>						
	Equity holders of the parent	395.21	425.38	309.15	1,116.70	951.43	1,250.63
	Non-controlling interest	(2.56)	1.07	0.26	(0.70)	0.86	0.89
12	Other Comprehensive Income/(loss) (net of tax)	(4.68)	(23.15)	83.83	(205.71)	285.87	257.19
13	<b>Total Comprehensive income/(loss) (11+12)</b>	<b>387.97</b>	<b>403.30</b>	<b>393.24</b>	<b>910.29</b>	<b>1,238.16</b>	<b>1,508.71</b>
	<b>Attributable to:</b>						
	Equity holders of the parent	390.53	402.23	392.98	910.99	1,237.30	1,507.82
	Non-controlling interest	(2.56)	1.07	0.26	(0.70)	0.86	0.89
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						(375.60)
16	Earnings per share (of ₹10/- each) (not annualised)						
	Basic and diluted earnings per share (₹)	13.87	14.93	10.85	39.18	33.38	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

**Written correspondence to be sent to:**  
Tata Communications Limited  
Investor Relations  
[Investor.relations@tatacommunications.com](mailto:Investor.relations@tatacommunications.com)  
[http:// www.tatacommunications.com](http://www.tatacommunications.com)