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**Quarterly report on the results for the quarter ended September 30, 2019**

**Tata Communications Limited**

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



**November 08, 2019**

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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.

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

Particulars	UNITS	Full Year Ended			Quarter Ended				
		2017	2018	2019	Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
<b>Operating Highlights</b>									
95 <sup>th</sup> Percentile Bandwidth Usage	Tbps/month	8.95	9.73	11.43	11.00	11.70	11.43	11.64	12.01
Data Revenue by Segment									
Service Provider	%	42.4%	42.7%	41.0%	41.0%	42.0%	40.0%	38.0%	39.0%
Enterprise	%	57.6%	57.3%	59.0%	59.0%	58.0%	60.0%	62.0%	61.0%
Data Revnue by Line of Business									
Traditional Services	%	71.4%	67.6%	64.9%	65.7%	64.9%	62.4%	63.1%	63.6%
Grow th & Innovation Service	%	15.8%	19.5%	22.5%	22.2%	22.4%	24.6%	24.0%	23.4%
Rentals	%	n/a	1.1%	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%
Subsidiaries	%	12.8%	11.9%	11.6%	11.1%	11.6%	12.0%	11.9%	12.0%
Total Voice Minutes	Bn, Minutes	42.9	39.4	30.0	7.7	7.0	6.6	6.4	6.0
International Long Distance	Bn, Minutes	38.6	35.4	27.5	6.9	6.4	6.3	6.1	5.8
National Long Distance	Bn, Minutes	4.3	3.9	2.6	0.8	0.6	0.4	0.3	0.1
Total Order Book (TCV Sold)	USD, Mn	937.7	979.3	1349.1	230.2	558.3	313.4	243.1	259.3
Traditional Services	USD, Mn	595.0	504.2	565.9	135.4	133.6	139.7	146.1	130.3
Grow th & Innovation Services	USD, Mn	342.7	475.1	783.2	94.9	424.6	173.6	97.0	129.0
<b>Financials</b>									
Gross Revenue	₹, Mn	176,200	167,717	165,249	40,682	42,695	42,435	41,686	42,728
Net Revenue	₹, Mn	83,928	85,352	91,101	22,214	23,631	24,288	23,286	23,679
EBITDA	₹, Mn	23,600	24,122	27,449	6,302	8,426	6,853	8,256	8,337
EBIT	₹, Mn	4,943	5,059	6,773	1,296	3,191	1,266	2,735	2,753
Profit Before Tax	₹, Mn	(5301)	456	3,432	419	2,343	629	1,601	1632
Profit After Tax	₹, Mn	(7640)	(3286)	(824)	16	1733	(1988)	766	539
Capex	₹, Mn	15,879	15,147	18,644	4,578	4,997	4,232	3,101	4,540
Free Cash Flow	₹, Mn	7,721	8,975	8,805	1,724	3,429	2,621	5,156	3,797
Total Capital Employed	₹, Mn	90,547	80,010	83,455	87,267	90,217	83,455	83,096	83,537
Net Debt / (Net Cash)	₹, Mn	74,628	75,016	85,273	90,748	89,871	85,273	86,112	89,331
<b>Key Ratios</b>									
EBITDA Margin	%	13.4%	14.4%	16.6%	15.5%	19.7%	16.1%	19.8%	19.5%
EBIT Margin	%	2.8%	3.0%	4.1%	3.2%	7.5%	3.0%	6.6%	6.4%
Net Profit Margin	%	(4.3%)	(2.0%)	(0.5%)	0.0%	4.1%	(4.7%)	1.8%	1.3%
Net Debt to EBITDA (LTM)	Times	3.2	3.1	3.1	3.7	3.4	3.1	2.9	2.8
Weighted Average Cost of Debt	%	3.12%	3.50%	3.72%	3.67%	3.76%	3.86%	3.93%	3.77%
Interest Coverage Ratio (LTM)	Times	1.34	1.47	1.71	1.31	1.65	1.71	2.01	2.26
Return on Capital Employed	%	5.5%	6.3%	8.1%	5.5%	7.0%	8.1%	10.2%	11.9%
<b>Valuation Indicators</b>									
Market Capitalisation	₹, Bn	205.78	176.74	174.63	142.64	149.43	174.63	138.21	106.90
Enterprise Value	₹, Bn	280.41	251.76	259.90	233.39	239.30	259.90	224.32	196.23
EV / EBITDA (LTM)	Times	11.88	10.99	9.47	9.54	9.04	9.47	7.52	6.16

## **Section 2**

### **AN OVERVIEW**

#### **2.1 Company Overview**

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

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

#### **Products, Services, and Solutions**

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

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

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

Tata Communications categorizes its offerings into 2 major groupings: Data and Voice. In addition to these

books of business we also have an ATM network subsidiary in India (Tata Communications Payment Solutions Ltd.) and a network management outsourcing subsidiary that supports global service providers (Tata Communications Transformation Services Ltd.)

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

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

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

**Cloud, Hosting and Data Centre Services:** With over 1 million square feet of collocation space in 44 locations worldwide and global partnership to extend our reach and capacity, our portfolio offers access to Colocation,

Dedicated Hosting, Virtualization, IZO Private Cloud and IZO Cloud Storage solutions: a single pathway to managing multiple complex workloads and computing environments, with an integrated view. Getting the right Cloud and Data Centre solution often means contracting and coordinating with multiple suppliers around the world, working through layers of complexity and ultimately incurring additional costs. Our portfolio offers a flexible and cost-efficient compute and storage options to meet the ever-growing needs of our clients.

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

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

**Customer Services:** Customer services are a key differentiator in a crowded marketplace, and businesses are increasingly looking to outsource network and IT services to dedicated experts. Our best-in-class services support Tata Communications' entire product & service portfolio and we deliver value through a services portfolio that covers program management, service delivery, service management, advanced solutions delivery and other personalized support services. We are also championing the 'whatever it takes' philosophy within the

Tata Communications services team to build a culture where we want to do the right things for the customer, where we're always flexible, always available, and always positive. More than an SLA, it's a state of mind – constantly checking that we are doing everything within our power to help our customers.

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

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

## 2.2 Product Overview

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

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

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

- 6. IP Transit:** Tata Communications' IP Transit provides high speed, secure and reliable Internet connection via our Tier-1 global IP backbone reaching more than 230 global PoPs in over 30 countries. Together with the largest Internet backbone in India, our customers grow with optimal routing performance.  
With over 230 Internet PoPs conveniently located in over 30 countries at carrier neutral Internet Exchanges (IX), we reduce access cost to the Internet. This is further enriched by our Indian Internet PoPs enabling reach to the explosive Internet growth in Asia, and over 3500Gbps peering connectivity with all other global Tier-1 ISPs.  
This rides on Tata Global Network (TGN), world's first wholly owned fibre optic subsea cable network ring round the globe that spans 210,000 kilometers of terrestrial and 500,000 kilometers of subsea network.
- 7. Content Delivery Network:** Tata Communications' content delivery network or content distribution network (CDNs) is a cloud based solution that caches/stores customers content at locations around the globe and serves it to end user with a lightning speed.  
CDN deployed over Tier -1 IP Network leveraging reach on to 200 countries and peering with leading ISP's across the globe to provide highest quality of user experience.  
CDN helps to deliver streaming, online video platform, Electronic software delivery & whole site acceleration using global platform.
- 8. Mobility**  
  
Voice – international voice wholesale, including support for LTE based voice services (Mobile VoIP, VoLTE and HD Voice).  
  
Signaling (SCCP & Diameter) – The signaling services help in international roaming, our signaling services can be delivered over a number of network options, including TDM, IP, Global VPN, and IPX Connect (SCCP over IPX). Also supported is signaling evolution from SCCP to Diameter, including Sigtran, ready for IMS based services and for LTE roaming capabilities.  
  
Mobile Messaging - our messaging network ensures delivery of quality application-to-person (A2P) messaging across the mobile ecosystem, including mobile network operators, SMS aggregators, enterprises and next generation service providers (OTT providers). Mobile Network Operators get protection from fraud, spam and grey routing, through working with Tata Communications as a single trusted source to help securely monetize A2P

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

services providers succeed in this complex market environment:

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

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

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

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

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

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

**Section 3****MANAGEMENT DISCUSSION AND ANALYSIS****3.1 Results of Operations****Key Highlights - For the quarter ended September 30, 2019**

- Significant Updates during the quarter –**

- The Scheme for Demerger of Surplus Land has been approved by the NCLT, Mumbai on July 12, 2018. The Scheme filed by HPIL, has been approved by the Ministry of Corporate Affairs, New Delhi on 5 August 2019. The Record Date for the Scheme was September 18, 2019. HPIL is currently taking further steps for allotment of its shares to the shareholders of Tata Communications.

Land details post demerger are as follows:

Sr. No.	Location	Total land in B/S (Acre)	Land with HPIL post demerger (Acre)	Land with TCOM post demerger (Acre)
1	Dighi – Pune, Maharashtra	678.1	524.0	154.1
2	Chattarpur, Delhi	162.4	58.0	104.4
3	GK-I, Delhi	119.1	69.5	49.6
4	Halisahar, W.B.	81.7	35.2	46.5
5	Padianallur, Chennai, TN	53.0	53.0	0.0
6	Mumbai	10.2	0.0	10.2
7	Rest of Western India	241.1	0.0	241.1
8	North and East India	123.6	0.0	123.6
9	South India	27.2	0.0	27.2
	<b>TOTAL</b>	<b>1496.4</b>	<b>739.7</b>	<b>756.7</b>

- Consolidated –**

- Revenue** grew by 5.0% YoY and 2.5% QoQ and came in at INR 4,273 crore, this growth is due to robust performance in data business.
  - EBITDA** grew by 32.3% YoY with a margin expansion of 400 BPs over the same quarter last year. Margin expansion is on the back of strong profitable growth in data business and due to productivity initiatives undertaken over last few quarters and benefit of IND AS 116 (INR 68 Crore). On a QoQ basis EBITDA grew by 1.0%.
  - Strong EBITDA performance translated into a Profit after Tax of INR 53.9 crore in Q2 FY20 as compared to a PAT of INR 1.6 crore in Q2 of last year and INR 76.6 crore in Q1FY20.
  - CAPEX** for Q2 was at USD 64.6 Mn as compared to USD 44.6 Mn in Q1 FY20.
  - Net Debt** at the end of the quarter was USD 1,262 Mn, an increase of USD 14 Mn as compared to last quarter. The marginal increase is due to dividend payment of USD 22 Mn during the quarter.
  - Average cost of borrowing for Q2 was 3.77% which has marginally decreased by 16 basis points compared to Q1.

- **Data –**

- **Data business** witnessed strong growth despite industry headwinds; Revenue was at INR 3,399 crore, witnessing a growth of 10.7% YoY and 3.7% QoQ. Growth in data business was led by strong performance in Traditional services business (+7.2% YoY) and Transformation Services (+27.5% YoY).
  - EBITDA for the quarter was at INR 752.4 crore with a margin of 22.1%. EBITDA has grown by 40.0% YoY and 2.2% QoQ, this strong performance is due to profitable growth in both Traditional services and Growth services. Data margin has expanded by 460 BPs as compared to same quarter last year. This is on the back of sustained productivity measures and Growth services turning EBITDA positive with QoQ margin expansion of 90 BPs.
  - **Traditional Services** - Revenue for the quarter was at INR 2,161 crore witnessing a growth of 7.2% YoY and 4.5% QoQ. Within this portfolio, NPL grew by 44% and ILL grew by 16% YoY. EBITDA was at INR 817 crore and witnessed a growth of 40.0% YoY and 2.7% QoQ. Margin for this quarter was 37.8% as compared to a margin of 29.0% during same quarter last year.
  - **Growth services** continue to scale. For the quarter, revenue was INR 771.5 crore witnessing a growth of 13.7% YoY and a marginal growth of 0.5% QoQ. This quarter revenue growth was little lower than expected due to higher event-based revenue in media services in Q1 and some new revenue of this quarter got pushed to future.
  - EBITDA for the quarter was at INR 27.7 crore as compared to a loss of INR 3.6 crore in Q2 of last year; on a QoQ basis EBITDA has grown by 33.2% with a margin of 3.6%. EBITDA margin has expanded by 90 BPs as compared to Q1 FY20 on account of operating leverage.
  - IZO grew by 80%, Security Services grew by 52% and Hosting services grew by 21% YoY.
  - **Transformation Services**’ revenue for the quarter came in at INR 323.6 crore, showing a growth of 27.5% YoY and 8.0% QoQ.
  - EBITDA for the quarter came in at INR 18.2 crore with margin of 5.6% due to continued upfront investment in some of the large deals that we have won and requires rebadging of resources.
  - **Payment solutions** – rationalizing our ATM portfolio with the focus on profitability continues to be our strategy. In Q2 FY’20, we closed 249 less profitable ATMs and redeployed 212 ATMs at more profitable locations. Revenue for the quarter was at INR 85 crore and witnessed a decline of 1.6% YoY and 4.4% QoQ in line with our strategy to rationalize ATMs.
  - EBITDA came in at INR 19.2 crore and grew by 372% YoY and 0.9% QoQ with EBITDA margin of 22.5% witnessing a margin expansion of 110 Bps QoQ.
-

**Section 4****FINANCIAL HIGHLIGHTS**

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

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

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2019	June 2019	Sep 2018	QoQ Growth	YoY Growth	Sep 2019	Sep 2018	YoY Growth
Gross Revenue	42,728	41,686	40,682	2.5%	5.0%	84,414	80,120	5.4%
Net Revenue	23,679	23,286	22,214	1.7%	6.6%	46,965	43,182	8.8%
EBITDA <sup>1</sup>	8,337	8,256	6,302	1.0%	32.3%	16,593	12,170	36.3%
EBITDA Margin	19.5%	19.8%	15.5%			19.7%	15.2%	
Depreciation & Amortisation	5,583	5,522	5,006	1.1%	11.5%	11,105	9,855	12.7%
EBIT	2,753	2,735	1,296	0.7%	112.5%	5,488	2,316	137.0%
Other Income	130	109	119	19.2%	9.6%	239	194	23.5%
Finance Cost	1,157	1,157	979	(0.0%)	18.3%	2,314	1,887	22.7%
Profit Before Tax	1632	1601	419	1.9%	289.4%	3233	460	602.5%
Tax Expense	1107	852	418	29.9%	165.1%	1960	1,059	85.0%
Profit After Tax	539	766	16	(29.7%)	3201.0%	1305	(569)	
Cash Profit from Operations	7145	7078	5291	0.9%	35.1%	14224	10106	40.8%
Capex	4,540	3,101	4,578	46.4%	(0.8%)	7,640	9,415	(18.8%)
Free Cash Flow	3,797	5,156	1,724	(26.4%)	120.2%	8,953	2,755	224.9%

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, 2019	As at March 31, 2019
<b>Shareholder's Fund</b>		
Share Capital	285	285
Reserves and Surplus	(864)	(467)
Minority Interest Liability	4	6
Non-Current Liabilities	11,923	10,736
Current Liabilities	9,678	9,453
<b>Total Liabilities</b>	21,605	20,195
<b>Total Equity and Liabilities</b>	21,025	20,013
<b>Assets</b>		
Non-Current Assets	15,684	14,706
Fixed Assets	12,833	11,564
Investments	815	895
Others	2,036	2,246
Current Assets	5,342	5,307
<b>Total Assets</b>	21,025	20,013



## 4.2 Summarized Statement of Segments - Statement of Operations

## 4.2.1 Tata Communications – Data

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2019	June 2019	Sep 2018	QoQ Growth	YoY Growth	Sep 2019	Sep 2018	YoY Growth
Gross Revenue	33,986	32,784	30,691	3.7%	10.7%	66,770	59,860	11.5%
Net Revenue	22,186	21,808	20,630	1.7%	7.5%	43,994	40,119	9.7%
EBITDA	7,524	7,364	5,374	2.2%	40.0%	14,888	10,536	41.3%
EBITDA Margin	22.1%	22.5%	17.5%			22.3%	17.6%	
EBIT	2013	1912	463	5.3%	334.9%	3,925	867	352.9%
Capex <sup>1</sup>	3,734	2,516	3,821	48.4%	(2.3%)	6,249	7,995	(21.8%)
Free Cash Flow	3,791	4,848	1,553	(21.8%)	144.1%	8,639	2,541	240.0%

## 4.2.2 Tata Communications – Data (Traditional Services)

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2019	June 2019	Sep 2018	QoQ Growth	YoY Growth	Sep 2019	Sep 2018	YoY Growth
Gross Revenue	21,608	20,680	20,150	4.5%	7.2%	42,289	39,640	6.7%
Net Revenue	17,467	16,995	16,233	2.8%	7.6%	34,462	31,790	8.4%
EBITDA	8,170	7,952	5,838	2.7%	40.0%	16,122	11,943	35.0%
EBITDA Margin	37.8%	38.5%	29.0%			38.1%	30.1%	

## 4.2.3 Tata Communications – Data (Growth Services)

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2019	June 2019	Sep 2018	QoQ Growth	YoY Growth	Sep 2019	Sep 2018	YoY Growth
Gross Revenue	7,715	7,680	6,786	0.5%	13.7%	15,395	12,730	20.9%
Net Revenue	3,509	3,535	3,338	(0.7%)	5.1%	7,043	6,071	16.0%
EBITDA	277	208	(36)	33.2%		485	(606)	
EBITDA Margin	3.6%	2.7%	(0.5%)			3.2%	(4.8%)	

## 4.2.4 Tata Communications – Data (Innovation Services)

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2019	June 2019	Sep 2018	QoQ Growth	YoY Growth	Sep 2019	Sep 2018	YoY Growth
Gross Revenue	222	190	42	16.8%	429.2%	413	66	522.6%
Net Revenue	(37)	13	(57)	(378.5%)	n/a	(23)	(122)	n/a
EBITDA	(1498)	(1352)	(905)	n/a	n/a	(2850)	(1747)	n/a
EBITDA Margin	n/a	n/a	n/a			n/a	n/a	

## 4.2.5 Tata Communications – Data (Rentals)

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2019	June 2019	Sep 2018	QoQ Growth	YoY Growth	Sep 2019	Sep 2018	YoY Growth
Gross Revenue	353	346	311	2.0%	13.5%	700	626	11.8%
Net Revenue	353	346	311	2.0%	13.5%	700	626	11.8%
EBITDA	202	181	121	11.6%	66.8%	382	254	50.4%
EBITDA Margin	57.1%	52.2%	38.8%			54.7%	40.6%	

#### 4.2.6 Tata Communications – Data (Transformation Services – Net of Intercompany eliminations)

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2019	June 2019	Sep 2018	QoQ Growth	YoY Growth	Sep 2019	Sep 2018	YoY Growth
Gross Revenue	3,236	2,998	2,537	8.0%	27.5%	6,234	4,966	25.5%
Net Revenue	543	562	630	(3.3%)	(13.9%)	1,104	1,387	(20.4%)
EBITDA	182	186	316	(2.2%)	(42.5%)	367	657	(44.1%)
EBITDA Margin	5.6%	6.2%	12.4%			5.9%	13.2%	

#### 4.2.7 Tata Communications – Data (Payment Solutions - Net of Intercompany eliminations)

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2019	June 2019	Sep 2018	QoQ Growth	YoY Growth	Sep 2019	Sep 2018	YoY Growth
Gross Revenue	850	889	864	(4.4%)	(1.6%)	1,740	1,832	(5.0%)
Net Revenue	351	357	175	(1.8%)	100.5%	708	367	93.0%
EBITDA	192	190	41	0.9%	372.1%	382	35	
EBITDA Margin	22.5%	21.4%	4.7%			21.9%	1.9%	

#### 4.2.8 Tata Communications – Voice

Amount in ₹, Mn; except ratios

Particulars	Quarter Ended					Six Months Ended		
	Sep 2019	June 2019	Sep 2018	QoQ Growth	YoY Growth	Sep 2019	Sep 2018	YoY Growth
Gross Revenue	8,741	8,903	9,991	(1.8%)	(12.5%)	17,644	20,259	(12.9%)
Net Revenue	1,493	1,478	1,584	1.0%	(5.7%)	2,971	3,063	(3.0%)
EBITDA	812	892	927	(9.0%)	(12.4%)	1,705	1,634	4.3%
EBITDA Margin	9.3%	10.0%	9.3%			9.7%	8.1%	
EBIT	740	823	833	(10.0%)	(11.1%)	1,563	1,449	7.9%
Capex	90	3	15	3237.2%	516.7%	93	38	142.0%
Free Cash Flow	722	890	913	(18.8%)	(20.9%)	1,612	1,596	1.0%

#### 4.2.9 Tata Communications – Average Exchange Rate

Particulars	Quarter Ended			Six Months Ended	
	Sep 2019	June 2019	Sep 2018	Sep 2019	Sep 2018
INR / USD	70.4	69.6	70.1	70.0	68.5

## Section 5

### OPERATING HIGHLIGHTS

#### 5.1 Tata Communications - Consolidated

##### 5.1.1 Gross Revenue by Segments

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
Voice	%	24.6%	22.1%	21.2%	21.4%	20.5%
Data	%	75.4%	77.9%	78.8%	78.6%	79.5%
Traditional Services	%	65.7%	64.9%	62.4%	63.1%	63.6%
Growth & Innovation Services	%	22.2%	22.4%	24.6%	24.0%	23.4%
Rentals	%	1.0%	1.0%	1.0%	1.1%	1.0%
Subsidiaries	%	11.1%	11.6%	12.0%	11.9%	12.0%

##### 5.1.2 Gross Revenue by Currency

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
Indian Rupee (INR)	%	34.0%	37.0%	35.0%	33.0%	38.0%
Other International Currencies	%	66.0%	63.0%	65.0%	67.0%	62.0%

##### 5.1.3 EBITDA by Segments

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
Voice	%	14.7%	9.0%	14.1%	10.8%	9.7%
Data	%	85.3%	91.0%	85.9%	89.2%	90.3%
Traditional Services	%	108.6%	111.2%	110.9%	108.0%	108.6%
Growth & Innovation Services	%	(17.5%)	(19.5%)	(17.9%)	(15.5%)	(16.2%)
Rentals	%	2.2%	2.0%	2.1%	2.5%	2.7%
Subsidiaries	%	6.6%	6.3%	5.0%	5.1%	5.0%

##### 5.1.4 Capital Expenditure

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
Voice	USD, Mn	0.2	0.1	0.0	0.0	1.3
Data						
Sustenance	USD, Mn	40.7	42.8	31.0	26.2	37.6
Growth	USD, Mn	13.6	18.1	18.8	10.0	15.5
Other <sup>1</sup>	USD, Mn	10.6	8.4	10.2	8.4	10.2
Total Capex	USD, Mn	65.1	69.3	60.0	44.6	64.6

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

## 5.1.5 Debt Profile

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
Gross Debt						
Foreign Currency Loans	USD, Mn	1,331	1,383	1,354	1,313	1,359
INR Loans	USD, Mn	80	67	87	73	47
Weighted Average Cost of Debt	%	3.67%	3.76%	3.86%	3.93%	3.77%
Cash & Cash Equivalent	USD, Mn	160	163	209	138	144
Net Debt	USD, Mn	1,251	1,287	1,232	1,248	1,262

## 5.2 Tata Communications – Data Services

## 5.2.1 Data Traffic carried

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
95 <sup>th</sup> Percentile Bandwidth Usage	Tbps/month	11	11.7	11.43	11.64	12.01

## 5.2.2 Data Revenue by Geography

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
India	%	51.0%	52.0%	53.0%	52.0%	54.0%
Rest of World	%	49.0%	48.0%	47.0%	48.0%	46.0%

## 5.2.3 Data Revenue by Segment

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
Service Provider / Carrier	%	41.0%	42.0%	40.0%	38.0%	39.0%
Enterprise	%	59.0%	58.0%	60.0%	62.0%	61.0%

## 5.2.4 Data Revenue by Product Segments

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
Traditional Services <sup>1</sup>	%	65.7%	64.9%	62.4%	63.1%	63.6%
Growth Services <sup>2</sup>	%	22.2%	22.4%	24.6%	24.0%	23.4%
Rentals	%	1.0%	1.0%	1.0%	1.1%	1.0%
Subsidiaries <sup>3</sup>	%	11.1%	11.6%	12.0%	11.9%	12.0%

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

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

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



### 5.2.5 Data Revenue mix by Product (Traditional Services)

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
VPN	%	26.0%	25.0%	25.7%	25.9%	24.6%
IPL	%	21.6%	25.8%	22.1%	21.4%	20.8%
ILL	%	15.7%	15.2%	16.1%	16.1%	16.9%
Ethernet	%	14.6%	14.0%	14.5%	14.7%	14.6%
IP-T	%	11.1%	10.3%	10.2%	10.8%	10.1%
Others	%	10.9%	9.8%	11.3%	11.2%	12.9%

### 5.2.6 YoY Revenue growth by Product (Traditional Services)

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
VPN	%	5.2%	5.6%	6.9%	2.7%	1.5%
IPL	%	8.7%	32.7%	18.7%	10.3%	3.3%
ILL	%	9.4%	8.7%	9.7%	7.9%	15.6%
Ethernet	%	5.2%	5.0%	6.0%	7.0%	7.2%
IP-T	%	9.3%	7.3%	4.4%	6.5%	(2.9%)
Others	%	(7.2%)	(8.4%)	6.5%	2.6%	27.3%

### 5.2.7 Data Revenue mix by Product (Growth Services)

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
UCC / SIP-T	%	35.1%	31.1%	30.8%	31.4%	32.1%
Hosting	%	9.4%	10.7%	10.3%	9.7%	10.0%
GHCC	%	4.2%	2.3%	6.6%	2.6%	2.7%
V Connect	%	9.4%	10.6%	9.2%	10.9%	9.9%
VS & IPT	%	9.6%	9.5%	8.4%	8.6%	9.0%
Others	%	32.3%	35.8%	34.7%	36.9%	36.3%

### 5.2.8 YoY Revenue growth by Product (Growth Services)

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
UCC / SIP-T	%	4.1%	3.5%	3.0%	4.3%	4.0%
Hosting	%	(20.1%)	12.2%	3.0%	41.3%	21.2%
GHCC	%	59.0%	(34.5%)	105.3%	13.8%	(26.4%)
V Connect	%	61.1%	49.8%	76.3%	29.1%	19.6%
VS & IPT	%	10.0%	10.3%	13.3%	5.3%	6.4%
Others	%	73.9%	72.8%	42.6%	70.9%	27.8%

## 5.2.9 Operating Metrics

	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
<b>Consolidated</b>						
Total Active Customers	No.	5,133	5,156	5,257	5,331	5,409
Total Order Book (TCV Sold)	USD, Mn	230.3	558.2	313.3	243.1	259.4
Traditional Services	USD, Mn	135.4	133.6	139.7	146.1	130.4
Growth & Innovation Services	USD, Mn	94.9	424.6	173.6	97.0	129.0
<b>Innovation Services</b>						
<b>IoT India</b>						
Customers	No.	19	20	24	25	27
Devices Ordered (Cum.)	No.	61,873	96,202	101,509	186,811	187,604
Base Stations (Cum.)	No.	5,084	5,131	3,900	3,501	3,497
Cities Covered	No.	38	38	45	45	45
<b>MOVE</b>						
Customers	No.	108	129	148	164	168
SIMs Ordered (Cum.)	No.	118,201	155,957	638,900*	744,000	789,000
<b>Security &amp; Hosting</b>						
Managed Cloud Instances	No.	7,756	7,911	8,286	8,461	9,306
Devices Managed (Network + Security)	No.	4,195	4,201	4,340	4,519	4,816
Block / Object Storage (Provisioned)	TB	8,459	8,888	21,555	23,213	23,845
<b>NetFoundry</b>						
Customers / Partners	No.	61	73	85	103	124

\* 360,000 SIMs are from Teleena acquisition

## 5.3 Tata Communications – Payment Solutions

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
Third Party / Managed ATMs	No.	6417	5003	4562	4076	4011
White Label ATMs	No.	8168	8059	8210	8323	8351
Total ATMs Managed	No.	14585	13062	12772	12399	12362
Total POS Managed	No.	13791	12790	9183	8365	5823

## 5.4 Tata Communications – Voice

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
International Long Distance	Bn, Minutes	6.9	6.4	6.3	6.1	5.8
National Long Distance	Bn, Minutes	0.8	0.6	0.4	0.3	0.1
Total Volume	Bn, Minutes	7.7	7.0	6.6	6.4	6.0

## 5.5 Human Resource Analysis

5.5.1 Tata Communications – Consolidated<sup>1</sup>

Particulars	UNITS	Quarter Ended				
		Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019
Tata Communications	No.	6402	6554	6600	6600	6782
TCTSL	No.	4060	4056	3991	4062	4297
Total Employees	No.	10462	10610	10591	10662	11079

1. Exit Headcount as on date

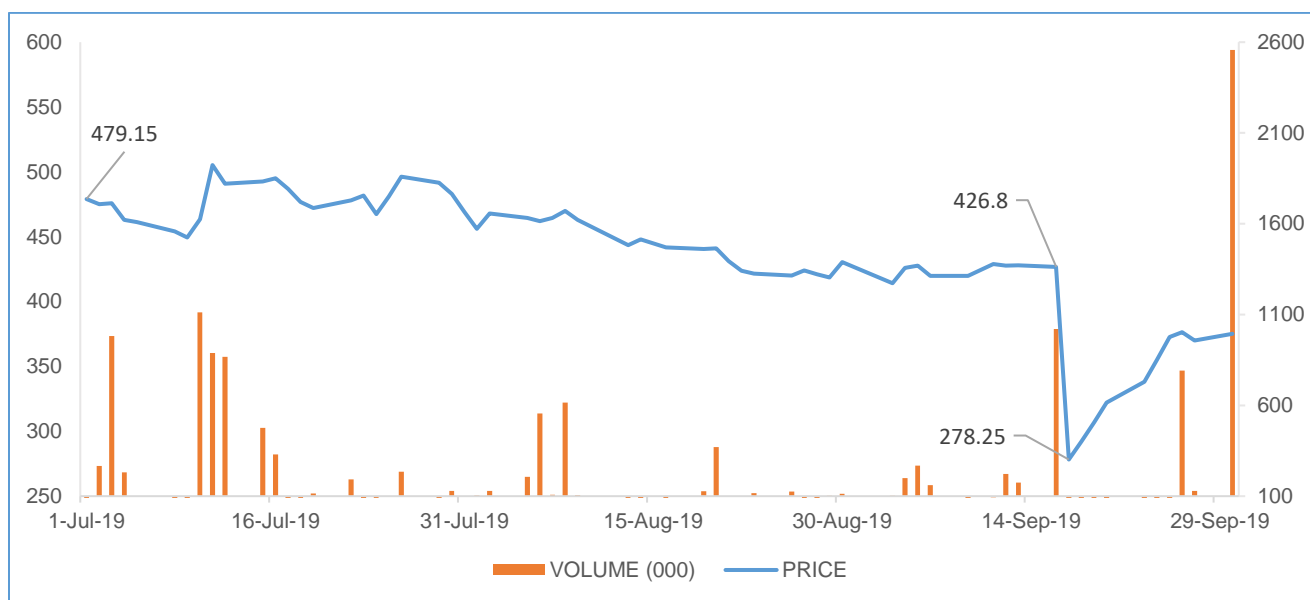
**Section 6****STOCK MARKET HIGHLIGHTS****6.1 General Information**

Shareholding and Financial Data	UNITS	Quarter Ended Sep 30, 2019
Code / Exchange		TATACOMM / NSE
Bloomberg		TCOM IN
No. of Shares Outstanding (30/09/2019)	Mn, No	285
Closing Market Price - NSE (30/09/2019)	₹ / Share	375.1
Combined Average Daily Volume (NSE and BSE)	Nos in 000/day	256
Combined Average Daily Value (NSE and BSE)	₹ Mn/day	111.7
Market Capitalisation (30/09/2019)	₹, Bn	106.9
Enterprise Value	₹, Bn	196.2
Enterprise Value / EBITDA (LTM)	Times	6.2

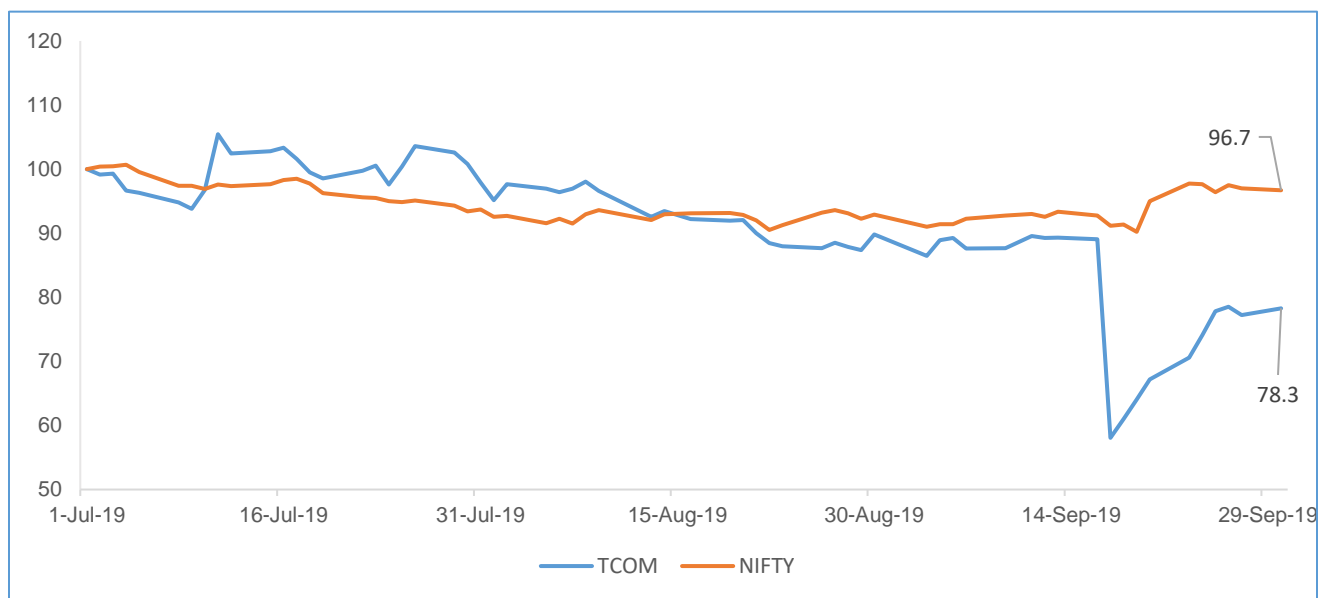
**6.2 Summarized Shareholding pattern as of September 30, 2019**

Category	% Holding
<b>Promoter &amp; Promoter Group</b>	
Tata Group	48.9%
Government of India	26.1%
<b>Sub-Total</b>	<b>75.0%</b>
<b>Public Shareholding</b>	
Domestic Institutions	1.7%
Foreign Institutions	18.7%
Non-Institutions (Retail)	4.6%
<b>Sub-Total</b>	<b>25.0%</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)**

**7.1.1 Consolidated Statement of Income**

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019						
Particulars	For the quarter ended			For the half year ended		For the year ended
	September 30 2019	June 30 2019	September 30 2018	September 30 2019	September 30 2018	March 31 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 <b>Income from operations</b>	427276	416862	406822	844138	801197	1652495
2 Other income, net	959	884	864	1843	161	6026
3 <b>Total income (1 + 2)</b>	<b>428235</b>	<b>417746</b>	<b>407686</b>	<b>845981</b>	<b>801358</b>	<b>1658521</b>
4 <b>Expenses</b>						
a. Network and transmission expense	169658	170840	181762	340498	361035	716204
b. Employee benefits expense	73201	76865	74477	150066	143377	295966
c. Finance costs	11571	11574	9785	23145	18870	39655
d. Depreciation and amortisation expense	55834	55215	50059	111049	98546	206760
e. Other expenses	101050	86594	87566	187644	175082	365840
<b>Total expenses (4a to 4e)</b>	<b>411314</b>	<b>401088</b>	<b>403649</b>	<b>812402</b>	<b>796910</b>	<b>1624425</b>
5 Profit before exceptional items, tax & share of profit/(loss) of associates (3 - 4)	16921	16658	4037	33579	4448	34096
6 Exceptional items (Refer note 2)	(597)	(648)	157	(1245)	157	224
7 <b>Profit from operations before tax and share of profit/(loss) of associates (5 + 6)</b>	<b>16324</b>	<b>16010</b>	<b>4194</b>	<b>32334</b>	<b>4605</b>	<b>34320</b>
8 Tax expense/ (benefit):						
a. Current tax	6161	11658	5351	17819	13205	33267
b. Deferred tax	4911	(3134)	(1174)	1777	(2614)	(5935)
9 <b>Profit/(loss) before share of profit/(loss) of associates (7 - 8)</b>	<b>5252</b>	<b>7486</b>	<b>17</b>	<b>12738</b>	<b>(5986)</b>	<b>6988</b>
10 Share in Profit/(Loss) of associates	179	214	198	393	406	(15031)
11 <b>Profit/ (loss) for the period (9 + 10)</b>	<b>5431</b>	<b>7700</b>	<b>215</b>	<b>13131</b>	<b>(5580)</b>	<b>(8043)</b>
<b>Attributable to:</b>						
Equity holders of the parent	5391	7661	165	13052	(5684)	(8237)
Non-controlling interest	40	39	50	79	104	194
12 Other Comprehensive Income/(loss) (net of tax)	(18820)	(2244)	(34815)	(21064)	(63716)	(44536)
13 <b>Total Comprehensive income/(loss) (11+12)</b>	<b>(13389)</b>	<b>5456</b>	<b>(34600)</b>	<b>(7933)</b>	<b>(69296)</b>	<b>(52579)</b>
<b>Attributable to:</b>						
Equity holders of the parent	(13429)	5417	(34650)	(8012)	(69400)	(52773)
Non-controlling interest	40	39	50	79	104	194
14 Paid up equity share capital (Face value of ₹10 per share)	28500	28500	28500	28500	28500	28500
15 Reserves excluding Revaluation reserve						(67287)
16 Earnings per share (of ₹10/- each) (not annualised)						
Basic and diluted earnings per share (₹)	1.89	2.69	0.06	4.58	(1.99)	(2.89)

## **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 (of opening and closing) capital employed. For the quarterly computations, it is computed by dividing sum of EBIT for the preceding (last) 12 months from the end of the relevant period by average (of opening and closing) capital employed during the relevant periods.
CSR	Corporate social responsibility

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