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**Quarterly report on the results for the quarter ended March 31, 2022.**

**Tata Communications Limited**

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



**April 21, 2022**

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## **Supplemental Disclosures**

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

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

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

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

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

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

Particulars	UNITS	Full Year Ended			Quarter Ended				
		2020	2021	2022	Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
<b><u>Operating Highlights</u></b>									
95 <sup>th</sup> Percentile Bandwidth Usage	Tbps/month	16.7	17.3	19.3	17.3	16.9	17.3	18.6	19.3
Total Voice Minutes	Bn, Minutes	23.2	18.7	14.8	4.0	4.2	3.9	3.6	3.2
International Long Distance	Bn, Minutes	22.6	18.2	14.4	3.8	4.1	3.7	3.5	3.1
National Long Distance	Bn, Minutes	0.6	0.5	0.5	0.1	0.1	0.1	0.1	0.1
Revenue by Line of Business									
Voice	%	19.8%	16.3%	13.7%	13.7%	14.4%	14.5%	13.2%	12.6%
Data*	%	69.6%	73.7%	76.4%	75.8%	75.7%	75.2%	77.3%	77.4%
Core Connectivity	%	72.3%	70.8%	70.7%	72.4%	71.9%	71.4%	70.5%	69.3%
Digital Platforms and Services	%	26.8%	28.2%	27.6%	26.4%	27.0%	27.3%	27.9%	28.2%
Incubation Services	%	0.9%	1.0%	1.7%	1.2%	1.2%	1.4%	1.7%	2.4%
Others (Subsidiaries + Real Estate)	%	10.6%	10.0%	9.9%	10.5%	10.0%	10.3%	9.5%	10.0%
Data Revenue by Segment									
Service Provider	%	33.1%	31.5%	30.8%	32.3%	31.1%	30.6%	30.6%	30.7%
Enterprise	%	66.9%	68.5%	69.2%	67.7%	68.9%	69.4%	69.4%	69.3%
<b><u>Financials</u></b>									
Gross Revenue	₹, Cr	17,068	17,100	16,725	4,073	4,103	4,174	4,185	4,263
Net Revenue	₹, Cr	9,447	9,919	9,932	2,474	2,375	2,438	2,521	2,598
EBITDA	₹, Cr	3,289	4,261	4,227	1,015	986	1,113	1,082	1,045
EBIT	₹, Cr	931	1,947	2,022	420	454	571	540	457
Profit Before Tax	₹, Cr	140	1,609	2,000	386	377	530	484	609
Profit After Tax	₹, Cr	(86)	1,251	1,482	299	296	425	395	365
Capex	₹, Cr	1,596	1,421	1,608	392	381	392	400	434
Free Cash Flow	₹, Cr	1,693	2,840	2,619	623	605	721	682	611
Total Capital Employed	₹, Cr	7,898	7,902	7,672	7,902	7,836	7,998	7,816	7,672
Net Debt / (Net Cash)	₹, Cr	9,176	7,786	6,744	7,786	8,001	7,761	7,189	6,744
<b><u>Key Ratios</u></b>									
EBITDA Margin	%	19.3%	24.9%	25.3%	24.9%	24.0%	26.7%	25.9%	24.5%
EBIT Margin	%	5.5%	11.4%	12.1%	10.3%	11.1%	13.7%	12.9%	10.7%
Net Profit Margin	%	(0.5%)	7.3%	8.9%	7.3%	7.2%	10.2%	9.4%	8.6%
Net Debt to EBITDA (LTM)	Times	2.8	1.8	1.6	1.8	1.9	1.9	1.7	1.6
Weighted Average Cost of Debt	%	3.75%	2.88%	2.92%	2.81%	2.89%	2.87%	2.69%	3.27%
Interest Coverage Ratio (LTM)	Times	1.98	4.63	5.61	4.63	4.87	5.03	5.46	5.61
Return on Capital Employed	%	11.5%	24.6%	26.0%	24.6%	24.7%	24.1%	25.4%	26.0%
<b><u>Valuation Indicators</u></b>									
Market Capitalisation	₹, Cr	6645	30290	35015	30290	36682	39665	41737	35015
Enterprise Value	₹, Cr	15821	38076	41759	38076	44683	47426	48926	41759
EV / EBITDA (LTM)	Times	4.81	8.94	9.88	8.94	10.49	11.40	11.66	9.88

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

## **Section 2**

### **AN OVERVIEW**

#### **2.1 Company Overview**

Tata Communications is the leading global digital ecosystem enabler. With a leadership position in emerging markets, and an infrastructure that spans the globe, Tata Communications leverages its advanced solutions capabilities and domain expertise across its global network to deliver managed solutions to multinational companies and service providers. We partner with 300 of the Fortune 500 companies with our state-of-the-art solutions, including a wide range of communication, collaboration, cloud, mobility, connected solutions, network and data center services.

Tata Communications global network includes one of the most advanced and largest submarine cable networks. We are in the Top 5 IP providers on 5 continents and offer public and private network connectivity to more than 240 countries and territories. Our major service/solutions are Network engineering, development & management, fully Integrated Communications Platform with solutions such as video, audio and web conferencing, contact center solutions, A2P messaging, global mobility in addition to an array of Data Center, Cloud, Hosting and Security Services.

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

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

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

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

Tata Communications categorizes its offerings into 3 major groupings: Data, Voice and Others. In Others category we have an ATM network subsidiary in India (Tata Communications Payment Solutions Ltd.) and a network management outsourcing subsidiary that supports global service providers (Tata Communications Transformation Services Ltd.) We also receive rental income from some of our land parcels and buildings, which are let out for various commercial purposes.

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

**A1. Core Connectivity:** This service offering includes a global comprehensive selection of point-to-point and multi-point core networking services including WAN Ethernet, Global VPN and International private lines spanning over 100 countries. On the Internet, we're a major Tier-1 IP provider, consistently ranked in the top five telecommunications companies on five continents, by internet route. In fact, we handle more than 30% of the global internet route, totaling more than 7,300 petabytes a month. Our infrastructure features the world's largest wholly owned subsea cable network, 4th largest tier 1 IPv6 enabled internet and backbone, and the most extensive reach into the emerging markets around the world. So, no matter where in the world your business takes you, we're there to provide the connectivity services you need. Our 2 major customer segments include: Large enterprise customers, and Telecom Service Providers

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

**. A2. (i) Collaboration and CPaaS:** We deliver global communication and collaboration services to enable digital transformation for businesses and many types of service providers. With voice and messaging at the heart of our business collaboration strategy, our modular portfolio comprises UCaaS, Global SIP Connect,

Microsoft Teams solutions, Cisco Powered Solutions, Hosted Contact Centre and the all new suite of Cloud communications platform, powered by APIs that can be integrated into business solutions. Our proposition helps our clients chart their own journey looking from where they currently stand to the transformation required to implement their stepwise business collaboration strategy.

**A2. (ii) Cloud, Hosting, Security and SD-WAN:** With legacy on-premise infrastructure moving to the cloud, and organizations operating in a multi-cloud environment, we offer flexible and cost-efficient compute and storage options via a single pathway to manage multiple complex workloads and computing environments, with an integrated view. With over 1 million square feet of collocation space in 44 locations worldwide and global partnership to extend our reach and capacity, our portfolio offers access to Colocation, Dedicated Hosting, Virtualization, IZO Private Cloud and IZO Cloud Storage solutions. We also offer cloud embedded with security as there is a growing threat to data security and privacy, which Tata Communications helps solve for its customers. Our comprehensive security services are delivered by partnering with the best vendors in the business and a 24/7 proactive support through our Security Operations Center.

**A2. (iii) Next Gen Connectivity:** With the global usage of internet becoming more mainstream versus expensive private lines, the importance of this portfolio has become profound. We offer intelligent routing and SLA's on the public internet, as well as on-demand connectivity solutions addressing the dynamic requirements of our customers to have a scalable network, which also fit the budget. SD-WAN offering adds a software overlay to make the network more programmable. IZO™ SDWAN integrates seamlessly with IZO™ Hybrid WAN, IZO™ Private Connect and cloud solutions, to deliver a unique and scalable communication platform your user and application needs

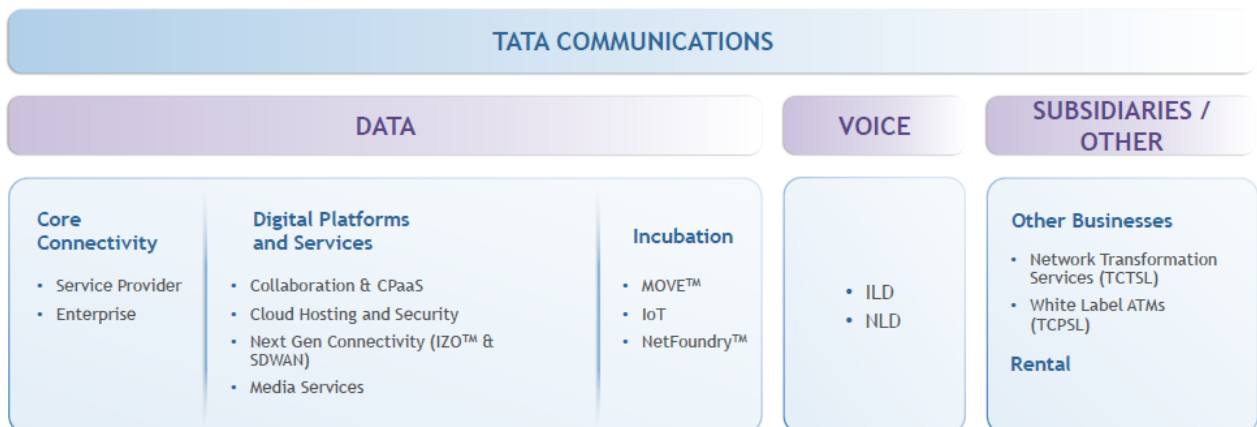
**A2. (iv) Media and Entertainment Services:** Our 'Media Ecosystem' provides solutions for every kind of enterprise in all segments of media and entertainment, including gaming, sports, news, cable, and broadcasting. Tata

Communications' Media Ecosystem combines its traditional video contribution services with IP-based connectivity to create a highly innovative cloud based global media platform. The global media ecosystem—first of its kind—provides a comprehensive solution that includes asset management, workflow management, channel origination, video contribution and distribution feeds, OTT platform as a service, Live OTT delivery and transcoding as service.

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

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

**C. Subsidiaries and Others:** we have an ATM network subsidiary in India (Tata Communications Payment Solutions Ltd.) and a network management outsourcing subsidiary that supports global service providers (Tata Communications Transformation Services Ltd.) We also receive rental income from some of our land parcels and buildings, which are let out for various commercial purposes.



### Section 3

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3.1 Results of Operations

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#### Key Highlights - For the Quarter and Year ended March 31, 2022

- **Consolidated –**
  - **Revenue** for the year declined by 2.2% YoY, coming in at INR 16,725 Crores. Voice business declined by 18.1% YoY; Data business grew by 1.4% YoY witnessing healthy growth broadly across Core Connectivity, Digital Platforms & Services and Incubation portfolio.
  - Q4 revenue at INR 4,263 Crores, growing by 1.9% QoQ and by 4.7% on YoY basis. QoQ growth is due to pick up in business and improvement across all Data segments.
  - **EBITDA** for the year at INR 4,227 Crores. EBITDA Margin stood at 25.3% which expanded by 40 BPs YoY led by focus on right operating structure and cost efficiency initiatives.
  - Q4 EBITDA at INR 1,045 Crores, growing at 3% YoY. On a QoQ basis, there has been a decline in EBITDA due to higher expenses which are back ended in nature.
  - **Profit** for the year stood at INR 1,482 Crores as compared to INR 1,251 Crores in FY21, expanding by 18.5% YoY. This has been the highest reported PAT in last 12 years. This translates into an EPS of INR 52 per share.
  - **CAPEX** for FY22 stood at INR 1,608 Crores as compared to INR 1,421 Crores in FY21. CAPEX for Q4 FY22 at INR 434 Crores as compared to INR 392 Crores in Q4 FY21.
  - **Net Debt** at the end of the year at INR 6,774 Crores, a decrease of INR 1,042 Crores as compared to last year. Net Debt to EBITDA is at 1.6x as compared to 1.8x last year. This is on the back of strong cash flows and a healthy profitability in FY22.
  - Average cost of borrowing for the year at 2.92%.
- **Data –**
  - **Data business** revenue for the year came in at INR 12,779 Crores witnessing a growth of 1.4% YoY and 2.1% QoQ growth. Data business continues to recover across all segments.
  - Data Business EBITDA at INR 3,989 Crores witnessing a growth of 0.4% YoY and a decline of 7.1% QoQ. EBITDA margins came in at 31.2% - a decrease of 30 BPs over the last year.
  - **Core Connectivity** – Full year revenue at INR 9,038 Crores, witnessing a steady growth of 1.4% YoY and 0.5% on QoQ basis.
  - **Digital Platforms & Services** – Full year revenue at INR 3,526 Crore, declining by 0.9% YoY and improving by 3.4% on a QoQ basis. Except Collaboration, all sub-segments within Digital grew in double digits. The underlying trends are positive for this business.
  - **Incubation Services** – Full year revenue at INR 215 Crores, witnessing a growth of 67.6% YoY and 49.1% QoQ
  - **Transformation Services** – This business continues to remain impacted due to slower than expected growth in international business. Revenue was at INR 1,312 Crores witnessing a decline of 1.2% YoY and improving by 6.7% QoQ.

- **Payment Solutions** – Business continues to remain impacted due to COVID. Average daily transactions for FY22 were 57 as compared to 68 in FY21. We have deployed more than 1000 franchise ATMs across the country as part of our re-invented business strategy. Revenue for the year came in at INR 165 Crs with an EBITDA of INR 15 Crs.
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## Section 4

### **FINANCIAL HIGHLIGHTS**

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

#### 4.1 Summary of Consolidated Financial Statements

##### 4.1.1 Summarized Consolidated Statement of Operations\*

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	Mar 2022	Dec 2021	Mar 2021	QoQ Growth	YoY Growth	Mar 2022	Mar 2021	YoY Growth
Gross Revenue	4263	4185	4073	1.9%	4.7%	16,725	17,100	(2.2%)
Net Revenue	2598	2521	2474	3.0%	5.0%	9,932	9,919	0.1%
EBITDA <sup>1</sup>	1045	1082	1015	(3.4%)	3.0%	4,227	4,261	(0.8%)
EBITDA Margin	24.5%	25.9%	24.9%			25.3%	24.9%	
Depreciation & Amortisation	589	542	595	8.5%	(1.1%)	2,205	2,314	(4.7%)
EBIT	457	540	420	(15.4%)	8.7%	2,022	1,947	3.9%
Other Income	264	19	58	1302.0%	356.7%	332	157	111.8%
Finance Cost	90	83	93	7.6%	(3.5%)	360	420	(14.3%)
Exceptional Items (Loss)	(21)	8	1			6	(75)	
Profit Before Tax	609	484	386	26.0%	57.9%	2,000	1,609	24.3%
Tax Expense	243	96	87	153.9%	178.9%	522	355	47.1%
Profit After Tax	365	395	299	(7.6%)	22.0%	1,482	1,251	18.5%
Cash Profit from Operations	956	999	922	(4.3%)	3.6%	3,866	3,840	0.7%
Capex	434	400	392	8.5%	10.7%	1,608	1,421	13.2%
Free Cash Flow	611	682	623	(10.4%)	(1.9%)	2,619	2,840	(7.8%)

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

##### 4.1.2 Summarized Statement of Consolidated Financial Position

Amount in ₹, Cr

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Shareholder's Fund</b>		
Share Capital	285	285
Reserves and Surplus	643	(170)
Minority Interest Liability	28	28
Non-Current Liabilities	10,281	13,423
Current Liabilities	8,431	7,767
<b>Total Liabilities</b>	<b>18,740</b>	<b>21,218</b>
<b>Total Equity and Liabilities</b>	<b>19,668</b>	<b>21,333</b>
<b>Assets</b>		
Non-Current Assets	14,798	15,496
Fixed Assets	11,680	11,902
Investments	1,132	951
Others	1,985	2,643
Current Assets	4,870	5,837
<b>Total Assets</b>	<b>19,668</b>	<b>21,333</b>

## 4.2 Summarized Statement of Segments - Statement of Operations

## 4.2.1 Tata Communications – Data

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	Mar 2022	Dec 2021	Mar 2021	QoQ Growth	YoY Growth	Mar 2022	Mar 2021	YoY Growth
Gross Revenue	3,301	3,233	3,088	2.1%	6.9%	12,779	12,599	1.4%
Net Revenue	2,366	2,349	2,254	0.7%	5.0%	9,172	9,081	1.0%
EBITDA	967	1,041	928	(7.1%)	4.2%	3,989	3,973	0.4%
EBITDA Margin	29.3%	32.2%	30.1%			31.2%	31.5%	
EBIT	418	529	371	(20.9%)	12.7%	1,916	1,829	4.8%
Capex <sup>1</sup>	377	301	325	25.3%	16.0%	1,358	1,162	16.9%
Free Cash Flow	590	740	603	(20.3%)	(2.2%)	2,630	2,811	(6.4%)

## 4.2.2 Tata Communications – Data (Core Connectivity)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	Mar 2022	Dec 2021	Mar 2021	QoQ Growth	YoY Growth	Mar 2022	Mar 2021	YoY Growth
Gross Revenue	2,289	2,278	2,236	0.5%	2.4%	9,038	8,911	1.4%
Net Revenue	1,879	1,860	1,856	1.0%	1.3%	7,335	7,307	0.4%
EBITDA	975	1,013	977	(3.7%)	(0.2%)	3,969	3,932	1.0%
EBITDA Margin	42.6%	44.5%	43.7%			43.9%	44.1%	

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

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	Mar 2022	Dec 2021	Mar 2021	QoQ Growth	YoY Growth	Mar 2022	Mar 2021	YoY Growth
Gross Revenue	932	901	815	3.4%	14.4%	3,526	3,560	(0.9%)
Net Revenue	454	478	395	(5.0%)	14.8%	1,785	1,737	2.8%
EBITDA	69	119	58	(42.6%)	18.5%	383	429	(10.8%)
EBITDA Margin	7.4%	13.2%	7.1%			10.9%	12.1%	

## 4.2.4 Tata Communications – Data (Incubation Services)

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	Mar 2022	Dec 2021	Mar 2021	QoQ Growth	YoY Growth	Mar 2022	Mar 2021	YoY Growth
Gross Revenue	81	54	37	49.1%	120.9%	215	128	67.6%
Net Revenue	33	12	3	182.8%	1054.5%	51	37	40.4%
EBITDA	(77)	(91)	(107)	n/a	n/a	(364)	(388)	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					Full Year Ended		
	Mar 2022	Dec 2021	Mar 2021	QoQ Growth	YoY Growth	Mar 2022	Mar 2021	YoY Growth
Gross Revenue	48	41	40	16.9%	20.4%	183	166	10.1%
Net Revenue	48	41	40	17.0%	20.2%	183	166	10.0%
EBITDA	30	25	25	21.1%	18.0%	117	102	14.7%
EBITDA Margin	61.9%	59.8%	63.2%			64.1%	61.5%	

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

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	Mar 2022	Dec 2021	Mar 2021	QoQ Growth	YoY Growth	Mar 2022	Mar 2021	YoY Growth
Gross Revenue	334	313	341	6.7%	(2.2%)	1,312	1,328	-1.2%
Net Revenue	60	26	63	132.5%	(3.8%)	134	183	(26.7%)
EBITDA	7	(27)	17	n/a	n/a	(47)	9	n/a
EBITDA Margin	2.2%	(8.7%)	5.0%			(3.6%)	0.7%	

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

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	Mar 2022	Dec 2021	Mar 2021	QoQ Growth	YoY Growth	Mar 2022	Mar 2021	YoY Growth
Gross Revenue	43	44	46	(2.3%)	(7.4%)	165	215	(23.6%)
Net Revenue	16	15	24	7.9%	(32.4%)	61	60	1.9%
EBITDA	3	1	9	225.0%	(65.4%)	15	6	149.5%
EBITDA Margin	7.5%	2.2%	20.1%			9.1%	2.8%	

4.4.0 Tata Communications – Voice

Amount in ₹, Cr; except ratios

Particulars	Quarter Ended					Full Year Ended		
	Mar 2022	Dec 2021	Mar 2021	QoQ Growth	YoY Growth	Mar 2022	Mar 2021	YoY Growth
Gross Revenue	537	554	558	(3.1%)	(3.8%)	2,286	2,791	(18.1%)
Net Revenue	107	89	92	19.4%	15.4%	381	428	(11.0%)
EBITDA	38	43	35	(12.2%)	7.1%	153	170	(10.2%)
EBITDA Margin	7.0%	7.8%	6.3%			6.7%	6.1%	
EBIT	24	37	27	(34.1%)	(10.7%)	120	134	(10.5%)
Capex	1	1	3	32.9%	(62.2%)	5	22	(78.2%)
Free Cash Flow	37	42	32	(13.1%)	14.0%	148	148	0.2%

4.5.0 Tata Communications – Average Exchange Rate

Particulars	Quarter Ended			Full Year Ended	
	Mar 2022	Dec 2021	Mar 2021	Mar 2022	Mar 2021
INR / USD	75.2	74.9	72.9	74.5	74.3

**Section 5**  
**OPERATING HIGHLIGHTS**

**5.1 Tata Communications - Consolidated****5.1.1 Share of Gross Revenue by Segments**

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
<b>Voice</b>	%	13.7%	14.4%	14.5%	13.2%	12.6%
<b>Data</b>	%	75.8%	75.7%	75.2%	77.3%	77.4%
Core Connectivity	%	72.4%	71.9%	71.4%	70.5%	69.3%
Digital Platforms and Services	%	26.4%	27.0%	27.3%	27.9%	28.2%
Incubation	%	1.2%	1.2%	1.4%	1.7%	2.4%
<b>Others</b>	%	10.5%	10.0%	10.3%	9.5%	10.0%

**5.1.2 Share of Gross Revenue by Currency**

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

**5.1.3 Share of EBITDA by Segments**

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
<b>Voice</b>	%	3.5%	2.7%	4.1%	4.0%	3.6%
<b>Data</b>	%	91.4%	94.5%	94.3%	96.1%	92.5%
Core Connectivity	%	105.3%	102.2%	98.1%	97.3%	100.8%
Digital Platforms and Services	%	6.2%	7.9%	11.6%	11.5%	7.1%
Incubation	%	(11.5%)	(10.1%)	(9.6%)	(8.8%)	(7.9%)
<b>Others</b>	%	5.1%	2.8%	1.6%	(0.1%)	3.9%

**5.1.4 Capital Expenditure**

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
<b>Voice</b>	₹, Cr	3	2	1	1	1
<b>Data</b>						
Core Connectivity	₹, Cr	270	294	270	211	316
Digital Platforms and Services	₹, Cr	37	24	51	66	48
Incubation	₹, Cr	18	13	27	23	13
Subs & Real Estate	₹, Cr	10	7	2	43	12
<b>Other<sup>1</sup></b>	₹, Cr	54	40	41	55	44
<b>Total Capex</b>	₹, Cr	392	381	392	400	434

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

## 5.1.5 Debt Profile

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
Gross Debt						
Foreign Currency Loans	₹, Cr	9,051	8,645	8,262	7,630	7,027
INR Loans	₹, Cr	950	815	828	736	894
Weighted Average Cost of Debt	%	2.81%	2.89%	2.87%	2.69%	3.27%
Cash & Cash Equivalent	₹, Cr	2,215	1,459	1,329	1,177	1,176
<b>Net Debt</b>	₹, Cr	<b>7,786</b>	<b>8,001</b>	<b>7,761</b>	<b>7,189</b>	<b>6,744</b>

## 5.2 Tata Communications – Data Services

## 5.2.1 Data Traffic carried

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
95 <sup>th</sup> Percentile Bandwidth Usage	Tbps/month	17.3	16.9	17.3	18.6	19.3

## 5.2.2 Data Revenue by Geography

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
India	%	48.5%	48.5%	49.5%	49.4%	50.0%
Rest of World	%	51.5%	51.5%	50.5%	50.6%	50.0%

## 5.2.3 Share of Data Revenue by Segment

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
Service Provider / Carrier	%	32.3%	31.1%	30.6%	30.6%	30.7%
Enterprise	%	67.7%	68.9%	69.4%	69.4%	69.3%

## 5.2.4 Share of Data Revenue by Product Segments

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
Core Connectivity	%	72.4%	71.9%	71.4%	70.5%	69.3%
Digital Platforms and Services	%	26.4%	27.0%	27.3%	27.9%	28.2%
Incubation	%	1.2%	1.2%	1.4%	1.7%	2.4%

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				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
Service Provider (Wholesale)	%	39.6%	38.7%	38.3%	38.7%	38.7%
Enterprise	%	60.4%	61.3%	61.7%	61.3%	61.3%

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

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
Collaboration & CPaaS	%	43.5%	45.3%	43.7%	40.9%	40.8%
Cloud, Hosting and Security	%	30.1%	27.1%	28.5%	29.1%	27.6%
Next Gen Connectivity (IZO & SDWAN)	%	15.9%	15.6%	15.4%	16.1%	18.7%
Media Services	%	10.5%	11.9%	12.4%	13.9%	12.9%

### 5.2.7 Operating Metrics

	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
<b>Consolidated</b>						
Total Active Customers	No.	5,272	5,091	5,280	5,037	5,034
<b>Operating Metrics</b>						
<b>IoT India</b>						
Customers	No.	49	54	59	65	70
Devices Ordered (Cum.)	No.	364,028	368,391	377,308	470,038	534,295
Base Stations (Cum.)	No.	2,619	2,590	2,590	2,646	2,300
Cities Covered	No.	45	45	45	45	60
<b>MOVE</b>						
Customers	No.	187	190	209	216	259
SIMs Ordered (Cum.)	No.	1,605,611	1,730,255	1976653	2121572	2378946
<b>Security &amp; Hosting</b>						
Managed Cloud Instances	No.	11,875	12,546	13145	13581	13937
Devices Managed (Network + Security)	No.	6,446	6,291	6295	6368	6526
Block / Object Storage (Provisioned)	TB	34,343	36,613	36968	38656	38862
<b>NetFoundry</b>						
Unique Customers	No.	66	65	68	61	54

### 5.3 Tata Communications – Payment Solutions

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
White Label ATMs	No.	6184	6322	6663	7036	7633
Total POS Managed	No.	2076	2019	1637	165	0

### 5.4 Tata Communications – Voice

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
International Long Distance	Bn, Minutes	3.8	4.1	3.7	3.5	3.1
National Long Distance	Bn, Minutes	0.1	0.1	0.1	0.1	0.1
Total Volume	Bn, Minutes	4.0	4.2	3.9	3.6	3.2

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

Particulars	UNITS	Quarter Ended				
		Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
Tata Communications	No.	6,940	6,760	6,741	6,827	6,926
TCTSL	No.	5,104	5,129	5,203	5,249	5,381
Total Employees	No.	12044	11889	11944	12076	12307

1. Exit Headcount as on date

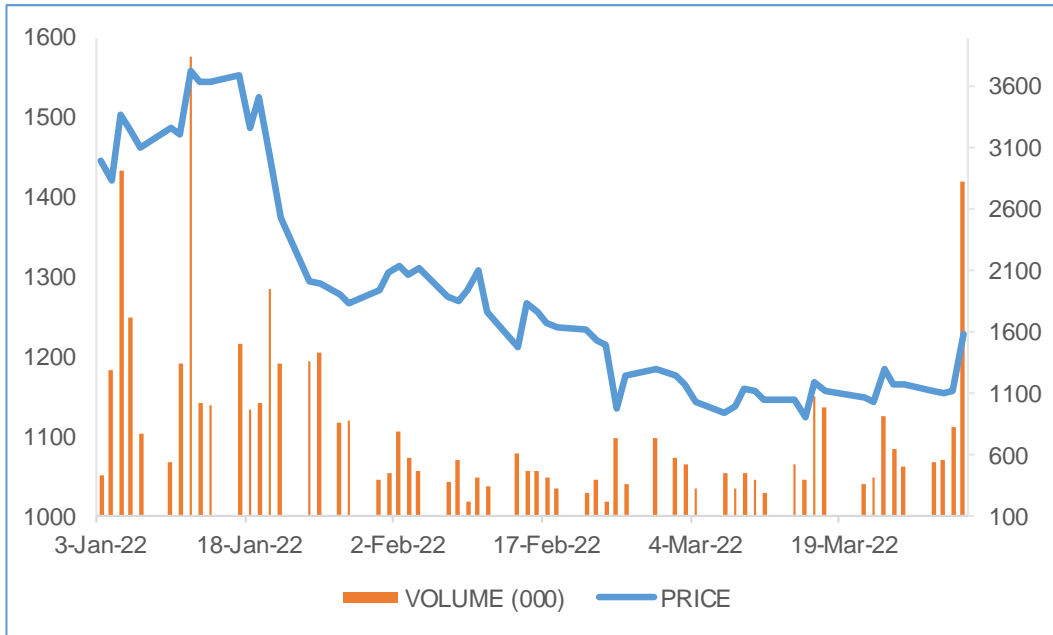
**Section 6****STOCK MARKET HIGHLIGHTS****6.1 General Information**

Shareholding and Financial Data	UNITS	Quarter Ended Mar 31, 2022
Code / Exchange		TATA COMM / NSE
Bloomberg		TCOM IN
No. of Shares Outstanding (31/03/2022)	Cr, No	28.5
Closing Market Price - NSE (31/03/2022)	₹ / Share	1228.6
Combined Average Daily Volume (NSE and BSE)	Nos in 000/day	816
Combined Average Daily Value (NSE and BSE)	₹ Cr / day	104.4
Market Capitalisation (31/03/2022)	₹, Cr	35015.1
Enterprise Value	₹, Cr	41759.3
Enterprise Value / EBITDA (LTM)	Times	9.9

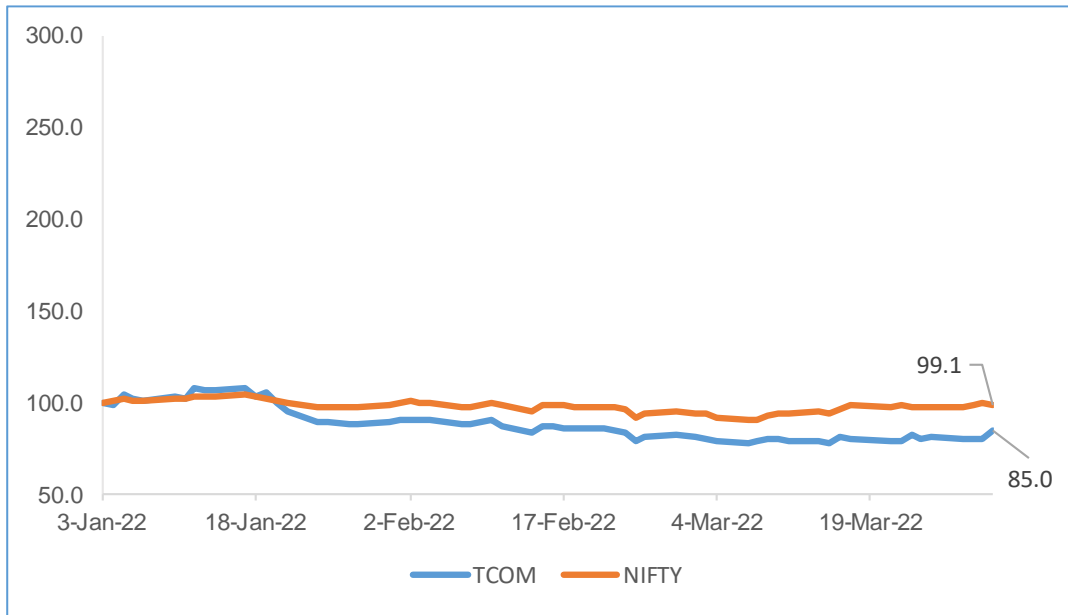
**6.2 Summarized Shareholding pattern as of March 31, 2022**

Category	% Holding
<b>Promoter &amp; Promoter Group</b>	
Tata Group	58.9%
<b>Sub-Total</b>	<b>58.9%</b>
<b>Public Shareholding</b>	
Domestic Institutions	10.9%
Foreign Institutions	19.4%
Non-Institutions (Retail)	10.8%
<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)**

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022					
Particulars	For the quarter ended			For the year ended	
	March 31 2022	December 31 2021	March 31 2021	March 31 2022	March 31 2021
	(Refer note 2)	(Unaudited)	(Refer note 2)	(Audited)	(Audited)
<b>1 Income from operations</b>	4,263.03	4,184.89	4,073.25	16,724.73	17,100.10
2 Other income, net	263.52	18.80	57.70	332.09	156.76
<b>3 Total income (1 + 2)</b>	<b>4,526.55</b>	<b>4,203.69</b>	<b>4,130.95</b>	<b>17,056.82</b>	<b>17,256.86</b>
<b>4 Expenses</b>					
a. Network and transmission expense	1,540.39	1,530.18	1,461.46	6,199.49	6,513.66
b. Employee benefits expense	768.38	733.79	754.70	3,040.34	3,049.09
c. Finance costs	89.77	83.45	93.07	360.25	420.20
d. Depreciation and amortisation expense	588.72	542.46	595.03	2,204.54	2,313.87
e. Other expenses	908.92	838.44	841.90	3,258.18	3,276.77
<b>Total expenses (4a to 4e)</b>	<b>3,896.18</b>	<b>3,728.32</b>	<b>3,746.16</b>	<b>15,062.80</b>	<b>15,573.59</b>
5 Profit before exceptional items, tax & share of profit/(loss) of associates (3 - 4)	630.37	475.37	384.79	1,994.02	1,683.27
6 Exceptional items (Refer note 3)	(20.89)	8.49	1.15	5.96	(74.72)
<b>7 Profit from operations before tax and share of profit/(loss) of associates (5 + 6)</b>	<b>609.48</b>	<b>483.86</b>	<b>385.94</b>	<b>1,999.98</b>	<b>1,608.55</b>
8 Tax expense/ (benefit):					
a. Current tax	122.02	106.12	61.75	431.31	406.49
b. Deferred tax	121.25	(10.31)	25.46	90.82	(51.60)
<b>9 Profit before share of profit/(loss) of associates (7 - 8)</b>	<b>366.21</b>	<b>388.05</b>	<b>298.73</b>	<b>1,477.85</b>	<b>1,253.66</b>
10 Share in Profit/(Loss) of associates	2.46	4.60	0.50	6.82	(2.14)
<b>11 Profit for the period (9 + 10)</b>	<b>368.67</b>	<b>392.65</b>	<b>299.23</b>	<b>1,484.67</b>	<b>1,251.52</b>
<b>Attributable to:</b>					
Equity holders of the parent	365.06	395.21	299.20	1,481.76	1,250.63
Non-controlling interest	3.61	(2.56)	0.03	2.91	0.89
12 Other Comprehensive Income/(loss) (net of tax)	(64.92)	(4.68)	(28.68)	(270.63)	257.19
<b>13 Total Comprehensive income (11+12)</b>	<b>303.75</b>	<b>387.97</b>	<b>270.55</b>	<b>1,214.04</b>	<b>1,508.71</b>
<b>Attributable to:</b>					
Equity holders of the parent	300.14	390.53	270.52	1,211.13	1,507.82
Non-controlling interest	3.61	(2.56)	0.03	2.91	0.89
14 Paid up equity share capital (Face value of ` 10 per share)	285.00	285.00	285.00	285	285.00
15 Reserves excluding Revaluation reserve				436.53	(375.60)
16 Earnings per share (of ` 10/- each) (not annualised)					
Basic and diluted earnings per share ( ` )	12.81	13.87	10.50	51.99	43.88

## Section 8

### GLOSSARY

#### **8.1 Company Related Terms**

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

ROC	Registrar of Companies
Return On Capital Employed (ROCE) Pre Tax - (LTM)	For the full year computations, ROCE is computed by dividing the sum of EBIT for the period by average capital employed. For the quarterly computations, it is computed by dividing sum of EBIT for the preceding (last) 12 months from the end of the relevant period by average capital employed.
CSR	Corporate social responsibility

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