



TATA COMMUNICATIONS LIMITED

Regd. Office : VSB, M.G. Road, Fort, Mumbai - 400 001 India
Tel 91 22 6659 1968 Website: www.tatacommunications.com

CIN:L64200MH1986PLC039266

EXTRACT OF STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Standalone	For the quarter ended			For the year ended	
	March 31 2021 (refer note 2)	December 31 2020 (Unaudited)	March 31 2020 (refer note 2)	March 31 2021 (Audited)	March 31 2020 (Audited)
Total Income from operations (net)	162087	158375	151797	649988	593060
Profit before exceptional items and tax	24696	25390	14861	117848	71970
Profit / (Loss) before tax	26640	24247	(19162)	122930	37355
Profit / (Loss) after tax	20934	18092	(14689)	96266	20878
Total Comprehensive Income / (Loss) for the period	21333	17636	(15251)	95993	17677
Equity share capital	28500	28500	28500	28500	28500
Earnings per share (of ₹10/- each) (Not Annualised)					
Basic and Diluted (₹)	7.34	6.35	(5.15)	33.78	7.33

(₹ in Lakhs)

Consolidated	For the quarter ended			For the year ended	
	March 31 2021 (refer note 2)	December 31 2020 (Unaudited)	March 31 2020 (refer note 2)	March 31 2021 (Audited)	March 31 2020 (Audited)
Total Income from operations (net)	413095	423105	443522	1725686	1713767
Profit from operations before exceptional items, tax and share of profit/(loss) of associate	38479	39291	9628	168327	53017
Profit from operations before tax and share of profit/(loss) of associate	38594	38148	(28183)	160855	13966
Profit / (Loss) from operations	29923	30941	(27499)	125152	(8483)
Total Comprehensive Income / (Loss) for the period	27055	39324	(70819)	150871	(77794)
Equity share capital	28500	28500	28500	28500	28500
Earnings per Share (of ₹10/-each) (Not Annualised)					
Basic and Diluted (₹)	10.50	10.85	(9.65)	43.88	(3.02)

Notes :-

- The above Standalone and Consolidated results for the quarter and year ended March 31, 2021 were taken on record and approved by the Board of Directors at their meeting held on April 28, 2021. These results have been reviewed by the audit committee and audited by the statutory auditors.
- The figures of the quarters ended March 31, 2021 and March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year and the published figures of nine months ended December 31, 2020 and December 31, 2019 respectively, which were subjected to limited review by the statutory auditors.
- During the quarter ended September 30, 2019, the Company had received demands from Department of Telecommunications (DOT) aggregating to ₹ 663343 lakhs towards License Fee on its Adjusted Gross Revenue (AGR) for the financial years 2006-07 till 2017-18.
The demands received by the Company included an amount of ₹ 543370 lakhs which were disallowed by the DOT towards the cost adjusted to Gross Revenues by the Company that were claimed on 'accrual basis' instead of payment basis, for which revised statements on the basis of actual payment has been submitted to the DOT. Though, the Company believes that it has a case to defend, it has made a provision of ₹ 33717 lakhs during the quarter ended March 31, 2020 and for the balance amount of ₹ 509653 lakhs, the Company believes that the likelihood of the same materializing is remote since the deduction on payment basis has not been considered by the DOT. During the quarter ended March 31, 2021, the Company has made a payment of ₹ 37951 lakhs under protest to DOT.
With respect to demands for the balance amount of ₹ 119973 lakhs, the Company has existing appeals relating to its ILD & NLD licenses which were filed in the past and are pending at the Hon'ble Supreme Court and Hon'ble Madras High Court and the Company's appeals are not included in the Hon'ble Supreme Court ruling of October 24, 2019 on AGR. Further, the Company believes that all its licenses are different from UASL, which was the subject matter of Supreme Court judgement of October 24, 2019. The Company has responded to the DOT denying and disputing the amounts claimed by the DOT in the above mentioned demands. The Company has not received any response from the DOT after the submission. The Company believes that it will be able to defend its position and also has obtained a legal opinion in this regard. Accordingly, the Company has assessed the balance demand of ₹ 119973 lakhs as part of contingent liability.
- During the quarter ended September 30, 2019, a subsidiary domiciled abroad, has received a final VAT assessment from VAT authorities for ₹ 13294 lakhs, during the quarter ended December 31, 2019 a final penalty assessment of ₹ 15521 lakhs was also received. On July 1, 2020 the Group has filed its grounds for appeal with the Economic Administrative Court towards the final VAT and penalty assessment which is currently pending for hearing. The management believes that there are grounds to defend its position and has also obtained an external opinion in this regard.
- On December 23, 2020, the Group has acquired a controlling stake of 58.1% for a consideration of ₹ 3288 lakhs in OASIS Smart SIM Europe SAS (OASIS) having net assets of ₹ 4073 lakhs. The Group's profit before tax for the quarter March 31, 2021 is reduced by ₹ 222 lakhs on consolidation of OASIS financials. The Group has completed the purchase price allocation during the quarter ended March 31, 2021 and recognised net assets of ₹ 3509 lakhs (excluding recognised intangible assets of ₹ 783 lakhs, goodwill of ₹ 1586 lakhs and deferred tax liability of ₹ 219 lakhs) and non-controlling interest of ₹ 2371 lakhs.
- During the quarter and year ended March 31, 2021 an associate considered certain provisions in its financials, the Group has considered the same as contingent liability which is consistent with the treatment of similar item in its financials and accordingly adjusted its share of profit/(loss) in associate by ₹ 2440 lakhs (net of tax) in its consolidated financial statements. The Groups share of profit in the associate after this adjustment is ₹ 655 lakhs. The Group has obtained a legal opinion in this regard.
- As at March 31, 2021 the carrying value of Company's investment in its subsidiary Tata Communications Payment Solutions Limited ('TCPSEL') is ₹ 92303 lakhs having accumulated losses of ₹ 147694 lakhs (includes a loss of ₹ 13944 lakhs for the year). The future profitability of TCPSEL is dependent upon revised business model and increase in the Inter Bank Rate (IBR) which is subject to regulatory clearance. Based on above factors and internal assessment of future business plan, management is of the view that the carrying value of the investment in TCPSEL as at March 31, 2021 is appropriate.
- During the quarter and year ended March 31, 2021, the Company has recognized an insurance claim of ₹ 2425 lakhs against loss caused due to malfunctioning of the fire suppression system in earlier years in its standalone and consolidated financial statements.
- The Board of Directors at its meeting held on April 28, 2021 proposed a dividend of ₹14 per equity share (Previous year ₹ 4.00 per equity share).
- The above is an extract of the detailed format of standalone and consolidated audited financial results for the year ended March 31, 2021, filed with the Stock Exchange under Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as modified by circular no CIR/CFD/FAC/62/2016 dated July 5, 2016. The full format of the standalone and consolidated financial results for the year ended March 31, 2021 are available on the stock exchange websites, www.nseindia.com and www.bseindia.com and on the Company's website www.tatacommunications.com

For TATA COMMUNICATIONS LIMITED

AMUR S. LAKSHMINARAYANAN
MANAGING DIRECTOR & CEO

Place: Mumbai

Date: April 28, 2021



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Place: Mumbai
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