



TATA COMMUNICATIONS

TATA COMMUNICATIONS LIMITED

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CIN:L64200MH1986PLC039266

EXTRACT OF CONSOLIDATED AND STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

Consolidated	For the quarter ended			For the nine months ended			For the year ended
	December 31 2023	September 30 2023	December 31 2022	December 31 2023	December 31 2022	March 31 2023	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(₹ in Crores)
Total Income from operations (net)	5,644.74	4,897.86	4,559.09	15,502.59	13,570.96	18,201.41	
Profit from operations before exceptional items, tax and share of profit of associate	339.27	298.27	430.62	1,139.44	1,641.71	1,987.11	
Profit from operations before tax and share of profit of associate	153.75	298.27	430.62	955.89	1,718.06	2,063.46	
Profit from operations	45.05	221.28	395.15	648.06	1,474.23	1,800.87	
Total Comprehensive Income for the period / year	(3.48)	156.59	275.14	600.58	847.88	1,185.53	
Equity share capital	285.00	285.00	285.00	285.00	285.00	285.00	
Earnings per Share (of ₹ 10/-each) (Not Annualised)	1.57	7.74	13.82	22.71	51.58	63.02	
Basic and Diluted (₹)							

Standalone	For the quarter ended			For the nine months ended			For the year ended
	December 31 2023	September 30 2023	December 31 2022	December 31 2023	December 31 2022	March 31 2023	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(₹ in Crores)
Total Income from operations (net)	2,069.75	2,053.83	1,918.86	6,307.77	5,739.50	7,733.30	
Profit from operations before exceptional items and tax	240.93	217.66	278.24	893.07	1,010.57	1,257.05	
Profit / (Loss) from operations before tax	55.41	217.66	278.24	709.52	1,057.31	981.03	
Profit / (Loss) from operations after tax	(27.90)	164.44	208.95	464.70	803.93	866.15	
Total Comprehensive Income / (Loss) for the period/year	(27.06)	162.15	202.39	453.51	789.46	648.65	
Equity share capital	285.00	285.00	285.00	285.00	285.00	285.00	
Earnings per share (of ₹ 10/- each) (Not Annualised)	(0.98)	5.77	7.33	16.31	28.21	23.37	
Basic and Diluted (₹)							
Interest service coverage ratio (no. of times)	9.05*	19.24	21.64	15.42	19.84	20.50	

	As at		As at	
	December 31 2023		March 31 2023	
1. Reserves excluding Revaluation reserve	9,225.28		9,370.27	
2. Securities Premium Account	725.01		725.01	
3. Net worth	9,716.34		9,861.33	
4. Outstanding debt	2,821.34		536.84	
5. Debt Equity ratio	0.29**		0.05	
6. Debt service coverage ratio (no. of times)	1.24*		2.97	

* Decreased mainly due to issuance of unsecured debentures, short-term borrowings availed and repayment of secured debentures as per the terms.
** Increased mainly due to issuance of unsecured debentures, short-term borrowings availed and repayment of secured debentures as per the terms.
Decreased mainly due to short term borrowings availed during the period.

Notes :-

The above unaudited Consolidated and Standalone financial results for the quarter and nine months ended December 31, 2023 were taken on record and approved by the Board of Directors at their meeting held on January 18, 2024. These results have been reviewed by the audit committee and have been subjected to a limited review by the statutory auditors.

2. During the period ended September 30, 2023, the Company received 'Show Cause-cum Demand Notices' (demand notices) from Department of Telecommunications of India (DOT) aggregating to ₹ 8,127.55 crores for financial years (FY) ranging from FY 2005-06 to FY 2021-22. These demand notices replace the earlier demand notices received by the Company in the past and include ₹ 276.68 crores towards disallowance of deductions claimed by the Company on payment basis for FY 2010-11 under ISP license and FY 2006-07 & FY 2009-10 under NLD license (three years). The Company, through various appeals filed in Telecom Disputes Settlement and Appellate Tribunal (TDSAT), has obtained a stay order for payment of these demands. During the quarter ended December 31, 2023, the Company received 'Revised Show Cause-cum Demand Notices' against certain 'demand notices' received earlier from DOT for ₹ 363.48 crores (previous demand ₹ 485.88 crores). Subsequent to the quarter ended December 31, 2023, the Company received Show Cause-cum Demand Notice for FY 2022-23 aggregating to ₹ 77.85 crores.

Also, the DOT has amended the definition of Gross Revenue (GR) / Adjusted Gross Revenue (AGR) in the Unified License and including licenses held by the Company effective October 1, 2021. The new definition allows for deduction of revenue from activities other than telecom activities / operations. The demand notices received for FY 2021-22 & 2022-23 includes ₹ 89.58 crores towards disallowance of certain components of revenue from activities other than telecom activities / operations.

The Company has existing appeals relating to its ILO, NLD & ISP 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 covered by the Hon'ble Supreme Court judgement dated October 24, 2019, on AGR under Unified Access Service License (UASL). Further, the Company believes that all its licenses are different from UASL, which was the subject matter of Hon'ble Supreme Court judgement of October 24, 2019. The Company, based on its assessment and independent legal opinions, believes that it will be able to defend its position.

Accordingly, the Company has included ₹ 7,751.84 crores as part of the contingent liability and has considered ₹ 276.68 crores as remote, being the disallowance of deductions claimed by the Company on payment basis for three years.

3. During the year ended March 31, 2020, a subsidiary domiciled abroad, received a final VAT assessment from VAT authorities for ₹ 142.61 crores (EUR 15.5 Mn) and a final penalty assessment of ₹ 166.50 crores (EUR 18.1 Mn). On July 1, 2020, the Group filed its grounds for appeal with the Economic Administrative Court towards the final VAT and penalty assessments. On March 29, 2022, the Economic Administrative Court notified its resolution, finding against the Group and dismissing the appeal against the VAT and penalty assessments. The Group lodged a contentious-administrative appeal before the National Court on May 24, 2022. Additionally, the Group filed a request for the suspension of the final VAT and penalty assessment pending the outcome of the appeal, which was granted. The National Court declared the contentious-administrative appeal proceedings closed on November 25, 2022 and the Group awaits the National Court's decision. The Group believes that there are grounds to defend its position and has accordingly disclosed ₹ 309.11 crores (EUR 33.6 Mn) as contingent liability.

4. On May 1, 2023, the Group acquired 100% stake in The Switch Enterprises LLC and certain of its international assets (collectively known as 'Switch') for a consideration of ₹ 481.16 crores (USD 58.80 Mn). As on the date of acquisition, Switch had net assets of ₹ 281.95 crores (USD 34.46 Mn) (basis management accounts). The Group's profit after tax for the quarter and nine months ended December 31, 2023 is reduced by ₹ 12.20 crores and ₹ 70.98 crores respectively on consolidation of Switch. The Group is in the process of finalising the Purchase Price Allocation.

5. On October 5, 2023 (the acquisition date), on fulfillment of all conditions precedent in the agreement, Kaleya Inc. (Kaleya) has become a wholly owned direct subsidiary of the Company pursuant to the reverse merger between TC Delaware Technologies Inc (a direct subsidiary of the Company) and Kaleya, wherein Kaleya is the surviving entity. The aggregate consideration for this acquisition is ₹ 833.35 crores (USD 100.06 Mn). Additionally, the Company has assumed all of Kaleya's outstanding adjusted gross and net debt of approximately ₹ 1,803.81 crores (USD 218.92 Mn) and ₹ 1,553.59 crores (USD 186.65 Mn) as on the acquisition date respectively. Consequent to the completion of the acquisition, Kaleya, is now delisted on the New York Stock Exchange. As on the date of acquisition, Kaleya has net liability of ₹ 939.24 crores (USD 112.96 Mn) (basis management accounts). The Group's profit after tax for the quarter and nine months ended December 31, 2023 is increased by ₹ 15.44 crores on consolidation of Kaleya. The Group is in the process of finalising the Purchase Price Allocation.

6. On July 28, 2023, pursuant to fulfillment of all conditions stated in the Agreement, the Group, through its wholly owned international subsidiary, acquired remaining equity ownership of 41.9% in Oasis Smart Sim Europe SAS (OSSE France) for a consideration of ₹ 98.32 crores (USD 12 Mn). As a result of this transaction, OSSE France has become a wholly-owned indirect subsidiary of the Company and an amount of ₹ 69.95 crores, being the difference between the carrying amount of non-controlling interest and the consideration have been adjusted in retained earnings.

7. One of the Group's wholly owned Indian subsidiary ('subsidiary') has significant part of the 'revenue from operations' for the quarter and nine months ended December 31, 2023, and trade receivables outstanding (including unbilled revenue) as at December 31, 2023 from a large customer ('customer'). The customer in its declared unaudited results for quarter ended September 30, 2023, had expressed its ability to continue as a going concern, to be dependent on raising additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. Further, the results stated that as at September 30, 2023, the said customer has met all its debt obligations payable to its lenders / banks and financial institutions along with applicable interest and has utilized extended credit period to discharge some of its contractual obligations. The said customer continues to be in discussion with its vendors to agree to a payment plan for the outstanding dues. Also, during February 2023, the said customer allotted equity shares to the Department of Investment and Public Asset Management, Government of India ('GOI'), towards conversion of net present value of the interest amount relating to deferment of certain dues and accordingly GOI now holds 33.1% in the said customer.

During the quarter ended December 31, 2023, the subsidiary based on the strategic assessment has issued a termination notice to the said customer and is in discussion on disengagement transition plan.

The carrying amount of trade receivables (including unbilled revenue and net of provisions) from the said customer in that subsidiary was ₹ 221.19 crores and ₹ 171.50 crores as on December 31, 2023 and March 31, 2023 respectively. The Group believes that the balance is good and recoverable basis its on-going interactions with that customer.

8. During the quarter ended December 31, 2023, the Hon'ble Supreme Court of India has pronounced a judgement regarding the treatment of Variable License Fee paid to DOT under New Telecom Policy 1999, since July 1999, to be treated as capital in nature and not revenue expenditure for the purpose of computation of taxable income. Pertinently, even though the Company is not a party to the above judgement and its case is different and distinguishable from the above judgement, as a matter of prudence the Company has assessed and recorded a provision of ₹ 185.52 crores towards interest which has been disclosed as an exceptional item and a provision of ₹ 21.09 crores towards tax (net) due to change in effective tax rate on account of adoption of new tax regime.

9. As stated in Note 4 & 5, the Group has consolidated Switch & Kaleya from May 1, 2023 & October 5, 2023 respectively and accordingly, the current quarter ended December 31, 2023 and current nine month period ended December 31, 2023 numbers are not comparable with previous periods respectively.

10. The above is an extract of the detailed format of consolidated and standalone financial results for the quarter and nine months ended December 31, 2023, filed with the Stock Exchange under Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications and amendments thereto. The full format of the consolidated and standalone financial results for the quarter and nine months ended December 31, 2023 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

A. S. LAKSHMINARAYANAN

MANAGING DIRECTOR & CEO

DIN : 08616930

Place: Chennai

Date: January 18, 2024

मुंबई, शुक्रवार, १९ जानेवारी २०२४ | नवशक्ति



TATA COMMUNICATIONS

टाटा कम्युनिकेशन्स लिमिटेड

नों. कार्यालय : व्हीएसबी, एम.जी. रोड, फोर्ट, मुंबई - ४०० ००१, भारत
टु: ९१ २२ ६६५९ १९६८ वेबसाईट : www.tatacommunications.com
सीआयएन: एल६४२००एमएल१९८६पीएलसी०३९२६६

३१ डिसेंबर, २०२३ संपलेल्या तिमाही आणि नऊ महिन्यांसाठी एकत्रित आणि अलिन वित्तीय निष्कर्षांचा उतारा

एकत्रित	संपलेल्या तिमाहीसाठी			संपलेल्या नऊ महिन्यांसाठी			संपलेल्या वर्षासाठी
	३१ डिसेंबर, २०२३	३० सप्टेंबर २०२३	३१ डिसेंबर २०२२	३१ डिसेंबर, २०२३	३१ डिसेंबर, २०२२	३१ मार्च, २०२३	
	(अलेखापरिहित)	(अलेखापरिहित)	(अलेखापरिहित)	(अलेखापरिहित)	(अलेखापरिहित)	(लेखापरिहित)	(₹ कोटीत)
प्रवर्तनातून एकूण उत्पन्न (निष्कळ)	५,६४४.७४	४,८९७.८६	४,५५९.०९	१५,५०२.५९	१३,५७०.५९	१८,२०१.४१	
अपवादालाक बाबी, का आणि सहयोगीच्या नफा ज्या हिश्यापूर्वी प्रवर्तनातून नफा	३३९.२७	२९८.२७	४३०.६२	१,१३९.४४	१,६४१.७१	१,९८७.११	
का आणि सहयोगीच्या नफा ज्या हिश्यापूर्वी प्रवर्तनातून नफा	१५३.७५	२९८.२७	४३०.६२	९५५.८९	१,७१८.०६	२,०६३.४६	
प्रवर्तनातून नफा	४५.०५	२२१.२६	३९५.१५	६४८.०६	१,६४१.७१	१,८००.८७	
वर्ष कालावधीसाठी एकूण सर्वसाधारणक उत्पन्न	(३.४८)	१५६.५९	२७५.१४	६०५.५८	८७७.८८	१,१८५.५३	
समभाग भांडवल	२८५.००	२८५.००	२८५.००	२८५.००	२८५.००	२८५.००	
प्रति समभाग प्रती (प्रमेकी ₹ १०/- चे) (अवार्शिक)							
मूलभूत आणि सॉल्यूटिव्ह (₹)	१.५७	७.७४	१३.८२	२२.७९	५९.५८	६३.०२	

अलिन	संपलेल्या तिमाहीसाठी			संपलेल्या नऊ महिन्यांसाठी			संपलेल्या वर्षासाठी
	३१ डिसेंबर, २०२३	३० सप्टेंबर २०२३	३१ डिसेंबर २०२२	३१ डिसेंबर, २०२३	३१ डिसेंबर, २०२२	३१ मार्च, २०२३	
	(अलेखापरिहित)	(अलेखापरिहित)	(अलेखापरिहित)	(अलेखापरिहित)	(अलेखापरिहित)	(लेखापरिहित)	(₹ कोटीत)
प्रवर्तनातून एकूण उत्पन्न (निष्कळ)	२,०६९.७५	२,०५३.८३	१,९१८.८६	६,३०७.७७	५,७३९.५०	७,७३३.३०	
अपवादालाक बाबी आणि कापूर्वी प्रवर्तनातून नफा	२४०.९३	२१७.६५	२७८.२४	८९१.०७	१,०१०.५७	१,२५५.५७	
प्रवर्तनातून कापूर्वी नफा / (तोटा)	५५.४९	२१७.६५	२७८.२४	७०९.५२	१,०५७.३९	१,८००.८७	
प्रवर्तनातून फायदा नफा / (तोटा)	(२७.९०)	११४.४४	२०८.९५	४६६.७७	८०३.९३	६६६.९५	
वर्ष / कालावधीसाठी एकूण सर्वसाधारणक उत्पन्न / (तोटा)	(०.०६)	१६२.९५	२०२.९५	४६६.७७	८०३.९३	६६६.९५	
समभाग भांडवल	२८५.००	२८५.००	२८५.००	२८५.००	२८५.००	२८५.००	
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मूलभूत आणि सॉल्यूटिव्ह (₹)	(०.९८)	५.७७	७.३३	१६.३१	२८.२९	२३.३७	
टोटल वॉल्वस फंडचे रेशो (व्या परीत)	१.०५*	१.९२*	२.१४	१.५२	१.९८	२.०५	

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7. One of the Group's wholly owned Indian subsidiary ('subsidiary') has significant part of the 'revenue from operations' for the quarter and nine months ended December 31, 2023, and trade receivables outstanding (including unbilled revenue) as at December 31, 2023 from a large customer ('customer'). The customer in its declared unaudited results for quarter ended September 30, 2023, had expressed its ability to continue as a going concern, to be dependent on raising additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. Further, the results stated that as at September 30, 2023, the said customer has met all its debt obligations payable to its lenders / banks and financial institutions along with applicable interest and has utilized extended credit period to discharge some of its contractual obligations. The said customer continues to be in discussion with its vendors to agree to a payment plan for the outstanding dues. Also, during February 2023, the said customer allotted equity shares to the Department of Investment and Public Asset Management, Government of India ('GOI'), towards conversion of net present value of the interest amount relating to deferment of certain dues and accordingly GOI now holds 33.1% in the said customer.

During the quarter ended December 31, 2023, the subsidiary based on the strategic assessment has issued a termination notice to the said customer and is in discussion on disengagement transition plan.

The carrying amount of trade receivables (including unbilled revenue and net of provisions) from the said customer in that subsidiary was ₹ 221.19 crores and ₹ 171.50 crores as on December 31, 2023 and March 31, 2023 respectively. The Group believes that the balance is good and recoverable basis its on-going interactions with that customer.

8. During the quarter ended December 31, 2023, the Hon'ble Supreme Court of India has pronounced a judgement regarding the treatment of Variable License Fee paid to DOT under New Telecom Policy 1999, since July 1999, to be treated as capital in nature and not revenue expenditure for the purpose of computation of taxable income. Pertinently, even though the Company is not a party to the above judgement and its case is different