



HQ/CS/CL.24B/17135  
June 7, 2021

National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Mumbai – 400 051  
SYMBOL: TATACOMM

BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai – 400 001  
Scrip Code: 500483

Dear Sir / Madam,

**Sub: Annual Report 2020-21 and Notice of the 35<sup>th</sup> Annual General Meeting of Tata Communications Limited**

The 35<sup>th</sup> Annual General Meeting ('AGM') of Tata Communications Limited ('the Company') will be held on Wednesday, June 30, 2021, at 11:00 hours (IST) through Video Conferencing / Other Audio Visual Means.

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2020-21 which is being sent through electronic mode only to the Members of the Company.

The Annual Report containing the Notice is also available on the website of the Company at <https://www.tatacommunications.com/investors/results/>

This is for your information and records.

Thanking you,

Yours faithfully,  
For Tata Communications Limited

Zubin Patel  
Company Secretary and  
Compliance Officer

**TATA COMMUNICATIONS**

Tata Communications Limited

Regd. Office: VSB Mahatma Gandhi Road Fort Mumbai – 400 001

Tel: 91 22 6659 1968 email: [zubin.patel@tatacommunications.com](mailto:zubin.patel@tatacommunications.com)

CIN: L64200MH1986PLC039266 website: [www.tatacommunications.com](http://www.tatacommunications.com)

**TATA COMMUNICATIONS**



# Reimagining Tomorrow

**Annual Report 2020-21**



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<https://www.tatacommunications.com/investors/>

Read more about our ESG performance on material aspects at:

<https://www.tatacommunications.com/about/sustainability/>

Technology today acts as a key ally for driving transformation and an enabler for enterprises to adjust to rapid shifts in the digital paradigm. While disruptive solutions continue to accelerate organisational growth, at Tata Communications we are constantly evaluating our capacities to reinvent, rethink and redesign accepted ways of operation.

With a focused approach to boost product innovation and heighten customer experiences, we are building agile and responsive solutions that aid enterprise efficiency and encourage borderless growth. To triumph in today's disruptive business environment, exponential transformations have become a necessity. For, innovation is no longer a choice.

To catch up with unabated inventions, we are capitalising on strategic decisions to redesign our operating models and deliver breakthrough value. The dizzying speed of transformation requires calculated alignments and integration. Supporting these endeavours, Tata Communications continues to build intelligent models that enhance capabilities to achieve bold objectives.

Leveraging the power of Artificial Intelligence ('AI') and Machine Learning ('ML'), we are articulating transformation strategies that offer clarity and direction to the growth path of businesses and enterprises. As we stand at the doorstep of an intelligent future, navigating new and emerging technologies, we continue to reimagine tomorrow, today!

# About Tata Communications

**Powering today's fast growing digital economy, Tata Communications is a well renowned and trusted digital ecosystem enabler guiding the digital transformation journey of enterprises globally.**

Since our inception, we have focused on unlocking opportunities for businesses by enabling borderless growth, enhancing productivity and efficiency, delivering customer experiences and product innovation, building agility and managing risks.

We operate one of the largest wholly-owned and most advanced subsea fibre network which underpins the internet backbone. Our one-of-its-kind Internet of Things ('IoT') network in India is on way to be world's largest network spanning nearly 2,000

communities and touching over 400 million people. Our endeavour is to become industry leaders in this New World of Communications™, with our unique promise of delivering secure connected digital experiences.

## Industries we serve

Automotive	Media & Entertainment	Healthcare	Telecom	Retail	IT/ITES	Sports
Manufacturing	Banking	Services	Consulting	Real Estate	Pharmaceutical	Insurance
Finance	Energy	e-Learning	e-Commerce	Government		

### VISION

To deliver a New World of Communications™ to advance the reach and leadership of our customers as a global digital ecosystem enabler

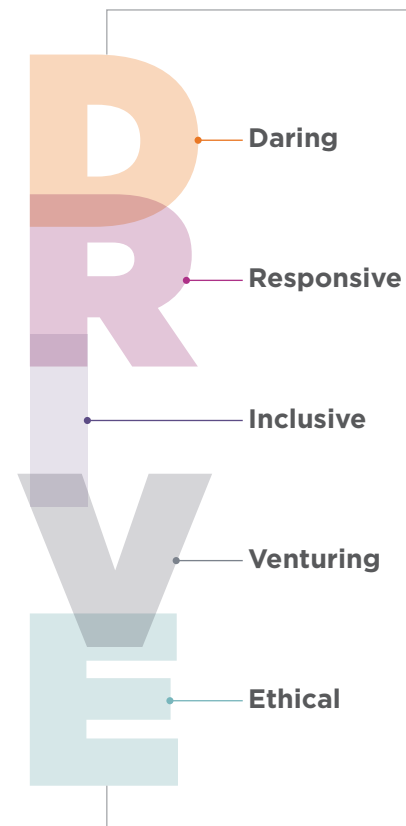
### MISSION

To enable enterprises to succeed in the new world of digital (technologies and business models) by being borderless and always available (to our customers and partners)

### SHARED AMBITION

To achieve profitable growth and become a leading digital ecosystem enabler in the eyes of our customers, and the industry

### OUR CULTURE

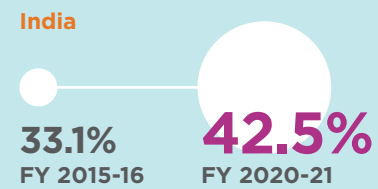
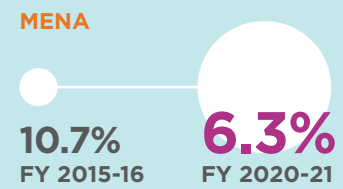
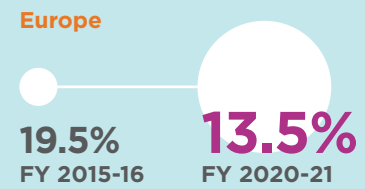
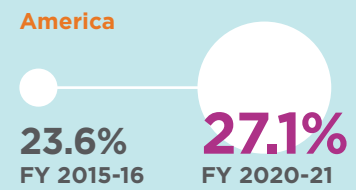
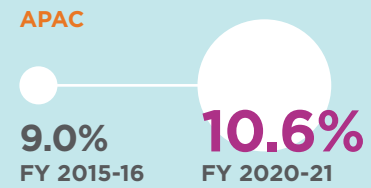


### SNAPSHOT

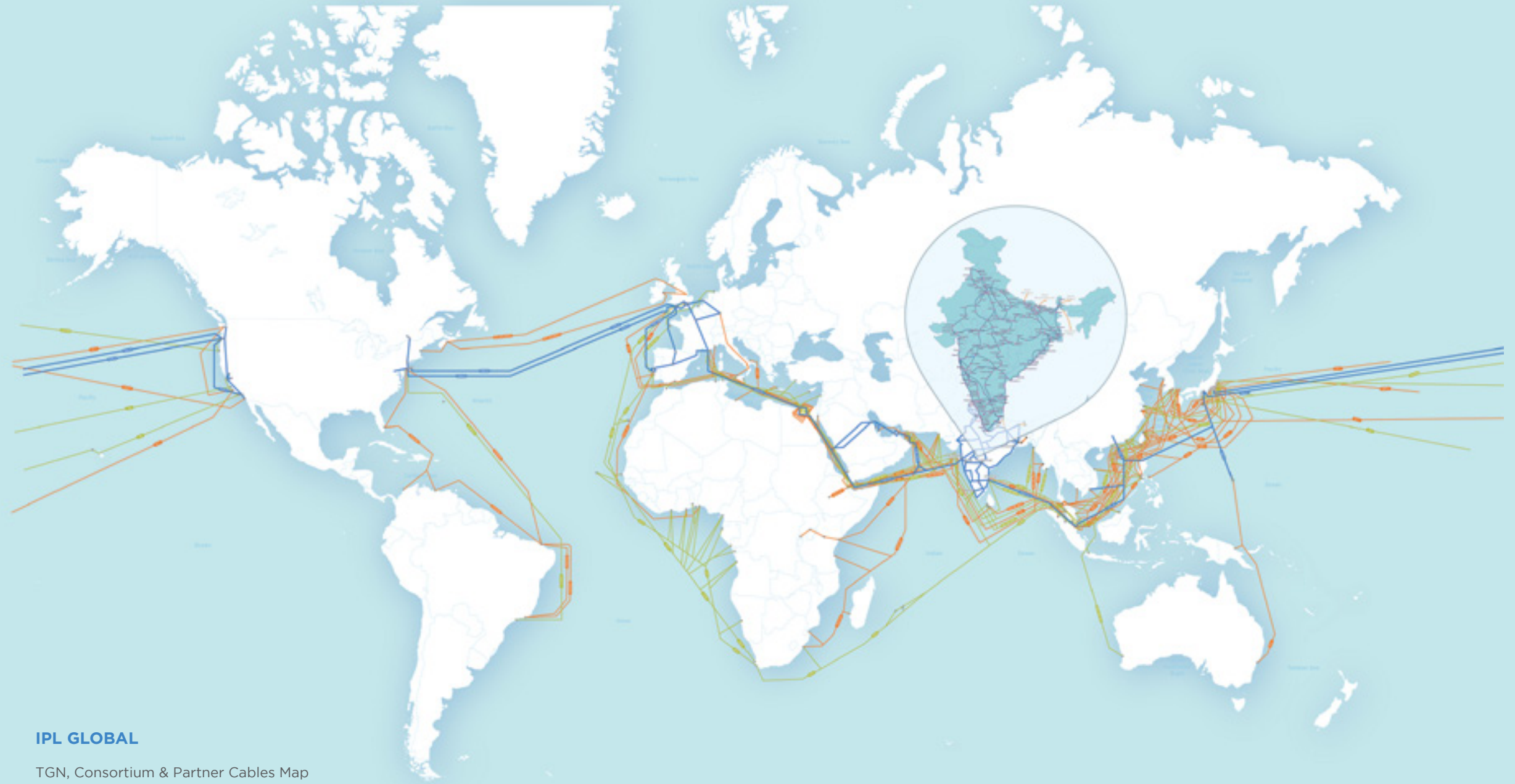
<p>We provide direct connectivity coverage for</p> <p><b>4 OUT OF 5</b></p> <p>Mobile subscribers worldwide</p>	<p>We connect businesses to</p> <p><b>80%</b></p> <p>of the world's cloud giants</p>	<p>We have</p> <p><b>50+</b></p> <p>Entities across the globe</p>
<p>We operate one of the</p> <p><b>World's largest</b></p> <p>Wholly owned subsea fibre network which underpins the internet backbone and shares around 30% of the world's internet routes</p>	<p><b>Leader</b></p> <p>In Gartner's Magic Quadrant for Network Services (Global) 2020 - 8 years in a row</p>	<p><b>80</b> points</p> <p>Top percentile score for customer satisfaction</p>

# Our Global Presence

## Revenue Mix\*



\*4.1% - Rest of the World in FY 2015-16, Nil in FY 2020-21



## IPL GLOBAL

TGN, Consortium & Partner Cables Map

### Legend

#### TGN Cables

- TGN-Atlantic
- TGN-Eurasia
- TGN-Gulf
- TGN-Intra Asia
- TGN-NER
- TGN-Pacific
- TGN-TIC
- TGN-WER
- TGN-India NLD

#### Consortium Cables

- APCN-2
- BBG
- FASTER
- IMEWE
- JUS
- SAFE/SAT3
- SEABRAS-1
- SEA ME WE3
- SEA ME WE4
- WACS

#### Partner Cables

- AAE-1
- APG
- ASE
- C2C/EAC
- EIG
- FEA
- FNAL
- GLOBENET
- GTT ATLANTIC
- I2I
- MAIN ONE
- PC-1
- PIPE (PPC-1)
- SEACOM
- SEA ME WE5
- SJC
- TEAMS
- UNITY

# Transformation – part of our DNA

**Inception**

**2002**  
Tata group acquires **25%** stake in VSNL (India)

**Diversification**

**2005-06**  
Acquired Tyco and Teleglobe, establishing a **global presence**  
Launched **next-generation** dedicated global Ethernet service connecting North America, Europe and Asia

**2008**  
Established as **Tata Communications**  
**Diversified** into enterprise segment

**2010**  
Launched **managed services** portfolio for enterprises

**Innovation**

**2014**  
Launched the most comprehensive cloud enablement platform, **IZO™**

**2017**  
Launched **NetFoundry™**, a revolutionary SaaS start-up platform and **MOVE™**, a mobility and IoT platform

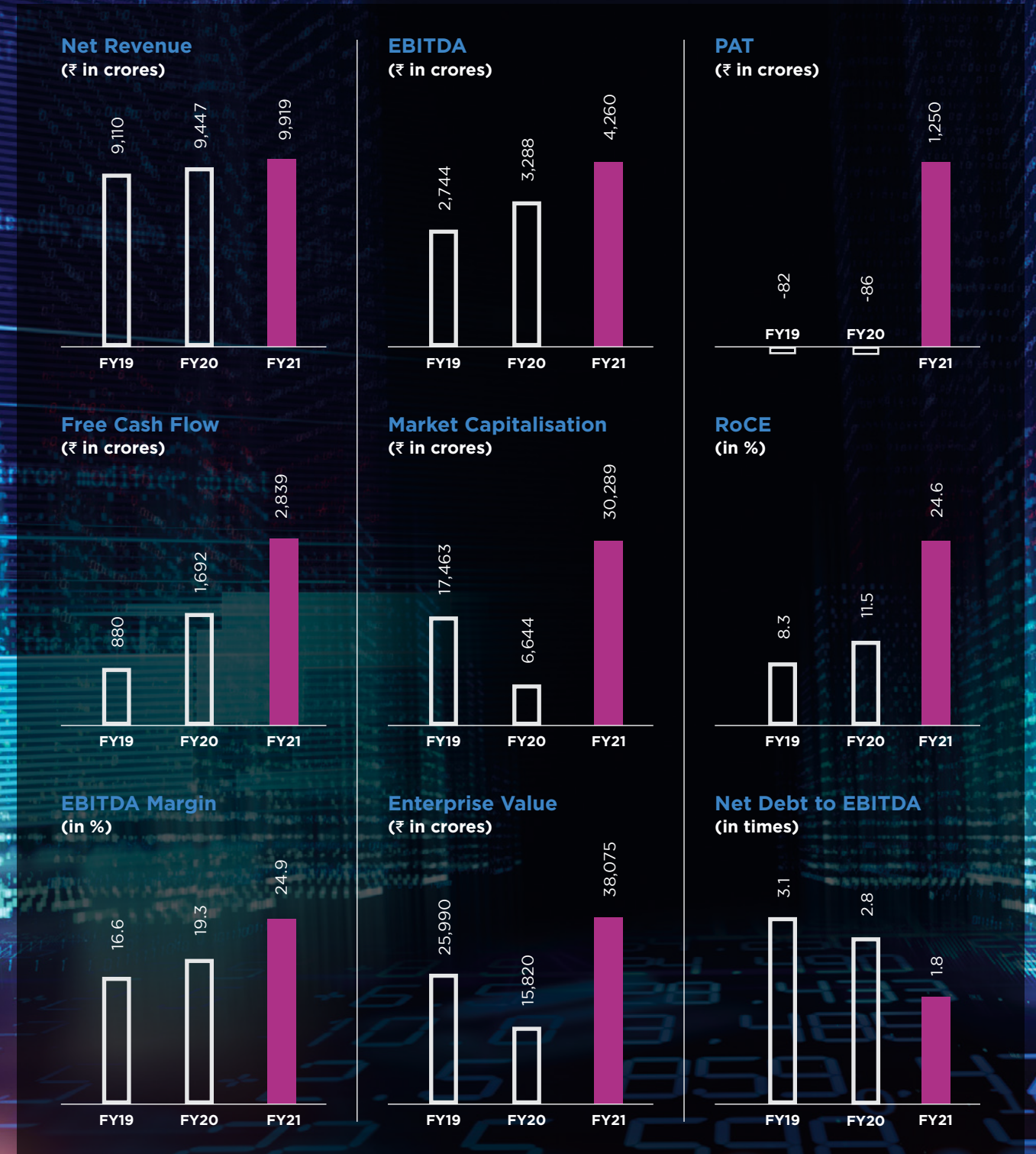
**2018-20**  
Getting ready for the next wave of growth as a **global digital ecosystem enabler**

**Our marquee clients**



and many more...

# Financial Fitness



# Covid-19: Our Response

**Our response to COVID-19 is a showcase of our business agility - keeping our employees safe and our customers' businesses and their employees connected and mobile.**

With its leading portfolio of platforms, solutions and services, underpinned by a network that shares over 30% of the world's internet routes - global digital ecosystem enabler Tata Communications has been instrumental in keeping the world connected at a time when people around the world have never been more physically isolated.

## For Business Continuity

Tata Communications was well prepared and developed a business continuity plan, covering all functions, with necessary backup and resiliency. Our business and operations are built for maximum

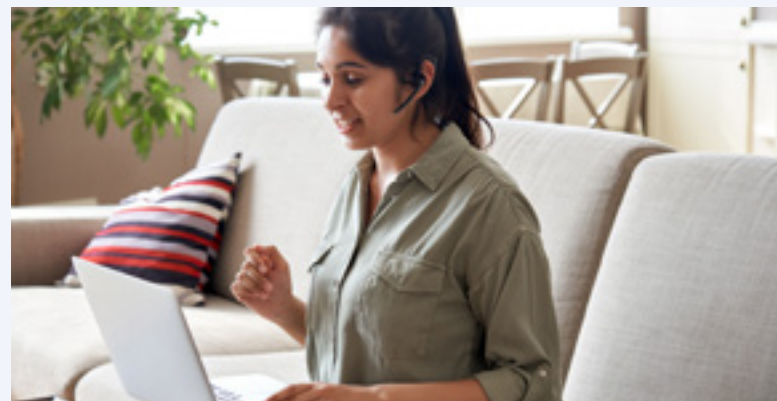
flexibility to support a worldwide distributed workforce.

- We set up a task force to assess, monitor and respond to the crisis very early on.

- We made employee safety and mental wellbeing, alongside business continuity the top priority.

## For Customers

Most customers are still working from home (WFH) using secure internet connectivity. Tata Communications has been supporting these customers with increased bandwidth demand, ~100% uptime and with resilient solutions.



### During FY 2020-21

- We supported all of our Hosted Contact Centre customers to run their businesses via WFH.
- We kept our Network availability intact during the period via a strong backbone and active field force operating under Business Continuity Planning (BCP) across the globe. We also expanded our IP coverage to 3rd party data centres in India i.e. GPX2, Webworks and Yotta Mumbai.

- We expanded National Long Distance (NLD) core into a multi-Terabit core (backbone) and metro network (last mile) into top 10 cities including a 400G line rate deployment in Metro network. Strengthened inter-connectivity among top 10 metro cities as a multi-tier protected path for Ethernet, which will provide additional resiliency for customers.
- We launched 100G and Optical Transport Network (OTN)

technology backbone NLD core network as well as 100G Metro core network connecting key Tier-1 cities which provides additional capacities for our customers.

- We strengthened our East and West India exit routes augmenting both Internet and International Private Lease Circuit (IPLC) with our additional capacities on consortium cable systems, taking our total exit capacity to 2 Tbps.

- We shortened our access ring in Mumbai to reduce the impact to customer services during fibre cuts resulting due to 3rd party activities (infrastructure upgrades by local authorities, service provider or private vendors).
- We migrated services from 3rd parties to our own network, providing improved control and availability of services.
- We introduced more stable connectivity in the Delhi - Mumbai corridor, using utility fibre and by partnering with infrastructure providers.
- In spite of multiple challenges during this global pandemic, our Service delivery team seamlessly executed projects on time. This was appreciated by our large enterprise customers and their end users.

As a result of all the above initiatives, Tata Communications upscaled its previous record of Net Promoter Score (NPS) by 10 points, **NPS21 - 80.**

Customers are recognising our efforts for incident management, Time To Repair (TTR), Proactive support and Quality of Service.

## For the Community

### COVID-19 RELIEF AND RESPONSE EFFORTS

The unprecedented spread of the COVID-19 pandemic necessitated combined and agile action towards mitigating and minimising



its impact. We are committed to these efforts and strive to protect, support and empower our communities by extending digital infrastructure support, strengthening healthcare services and providing relief goods.

- **We collaborated with 26 NGOs and Trusts globally to provide immediate relief to communities in distress, reaching out to more than 118,000 people.**

- An employee contribution fund for COVID-19 was set up in 2020. US\$ 142,642 (INR 99.85 Lakh) was contributed by employees globally and this was matched by an equal contribution made by the company. India, with the largest workforce, registered the maximum contribution, which has been donated to the Tata Community Initiatives Trust (TCIT) to bolster the Group wide COVID-19 relief work. **Till date, a total of US\$ 415,714 (₹ 2.91 crores ) has been dedicated to tackle the pandemic.**

- Internationally, we partnered with credible, local organisations to support COVID-19 relief initiatives in the USA, Canada,

France, Germany, Netherlands, Spain, UK, Australia and APAC. **Particularly in APAC (not including India), we contributed a total of US\$ 14,112 for COVID-19 relief efforts via 3 NGOs in Hong Kong (Bo Charity Foundation) and Singapore [Sayang Sayang Fund by the Community Foundation of Singapore and Humanitarian Organisation for Migration Economics (HOME)].**

- Our hunger relief initiatives in India supported migrant workers, underserved urban poor communities and ultra-poor rural population groups. Amongst others, we supported more than 4,500 families of daily wage earners and migrant workers with ration kits (to last a week to 15 days) and essential hygiene supplies.
- Additionally, **DRIVE** points generated by volunteers from participating in the various activities of our global, flagship volunteering campaign - DRIVE 2021, **were converted into 2650 meals and 1620 hygiene kits.**
- As part of our long-term response plan of making our

# Covid-19: Our Response

communities more resilient, we created and launched a cybersecurity training course in partnership with our long-term, CSR partner - Tata STRIVE. **Linked to one of our core competencies and developed by our Cloud, Edge and Security business function, the 4-months long training program aims to train underserved youth in India** for creating a cadre of skilled professionals who will meet the rising industry demand. We also **set up 25 nutri-gardens to integrate food security in our community initiatives with ultra-poor women in the Indian states of Jharkhand and Odisha.**

- Utilised our core business competencies to support Government agencies and other group companies in COVID-19 relief measures. Through our InstaCC™ platform we were able to enable Tata Group employees to volunteer as helpline



- We also extended connectivity support to Tata ClassEdge making it possible to access online content and other functionalities of their platform by a larger number of schools during the lockdown in India.

## For Employees



Tata Communications with its timely response towards adapting to COVID-19 in the early stages of detection globally, implemented mitigation strategies to handle a potential VUCA (Volatility, Uncertainty, Complexity, Ambiguity) situation precipitated by the sudden advent of the global pandemic. It was done by establishing a Business Continuity Management (BCM) framework with a BCM Core Group for designing new and unprecedented ways of planning, implementing, modifying, remodeling and developing an internal support ecosystem for enablement - to create a workable plan, alongside responding to the unforeseen everchanging turn of events.

Safety continued to be the key focus area. As a result, safety guidelines were developed and further shared to address employee and customer queries, risk assessment checklists for teams working and visiting customer locations for meetings, routine COVID-19 advisory to essential employees and an overall safety Standard Operating Procedure (SOP) for the BCM period.

Keeping employees in a positive frame of mind was also initiated by the Human Resources Learning & Development teams by creating **pathways on Tata Communications Learning Academy (TCLA)** aligning towards staying safe, managing anxiety and building emotional resilience, employee resilience programme, multiple mindfulness sessions, fitness sessions and enablement applications etc. Many programmes were launched to drive engagement and people support:

- Employee Assistance Programme and Confidential Counselling
- VirtualWorks series on Ergonomics, Fitness Challenge, etc.
- Virtual Global On/off boarding
- AskHR support over weekends to support employees with medical emergencies
- For Q1 FY20-21, hardship allowance was provided and over 1,100 employees have claimed each month (hardship allowance is the extra allowance given to essential employees who are physically present at the customer sites during COVID period)
- Global paid sick leave and procured term-life insurance plan for all the India contract staff
- Ambulance service and mid-year benefits to increase cover on Medical, Life, etc.

As a global business with a highly distributed workforce, Tata Communications maintained its



flexible working policies — like work from home and flexible working hours throughout FY 2020-21. There are a variety of virtual collaboration environments and unified communication and collaboration technologies which were already widely adopted within the company. To ensure these virtual mediums are safe to use for business and for customers many control measures from a cyber security perspective were initiated for strengthening end user security controls, including awareness for staff and real time Artificial Intelligence (AI) / Machine Learning (ML) driven endpoint security, early warning signs, Indicators of Compromise (IOCs), were built into our gateways and an enhanced security testing was driven by forming a core task force.

For those on-field employees whom needed to be on-location to keep mission critical infrastructure up and running, Tata Communications ensured their safety, protection, and mental well-being at all times. Much like first responders, these colleagues are classified as essential workers who need to travel on-site across network operation centres, cable landing stations or to the customer site to monitor and ensure smooth operation of the infrastructure, networks, and

backend IT operations, during these unprecedented times.

Finally, constant communication to all requisite stakeholders was maintained to instil trust, confidence and transparency:

- Internal customers - through timely concise communications through leadership emails, safety advisories, guidelines, FAQs, targeted communication to share organisational policies in line with the evolving local and global developments, e.g., WFH, BCM travel policies, etc.
- Customer communications - through standardised as well as customised emails for account managers with FAQs, guidelines and relevant assets to help them engage customers. Amplifying #everydayhereos through customer testimonials internally.
- Media communications - by constantly updating the media fraternity on how we are addressing organisational response to COVID-19 along with relevant solutions like work from home, security, IoT etc. Over 100 pieces of coverage were secured across leading media titles including Economic Times, Mint, Business Standard and other leading publications across the globe.





# Key Operational Developments

## DIGITAL PLATFORMS - SECURE CONNECTED DIGITAL EXPERIENCE ('SCDX')

During FY 2020-21, we launched our SCDx proposition which is intended to meet the growing, worldwide demand for new ways of operating, which includes far higher levels of working from home, rising security risks, a shift to digital commerce and more contactless experiences for employees, customers and supply chain partners. This will help companies currently relying on

short-term fixes, such as consumer-grade applications or employees' home broadband connections, by providing holistic, secure, enterprise-level digital solutions that address current challenges and are fit for the long term. Our promise of a Secure Connected Digital Experience is focused on delivering agile, sustainable and efficient experiences across

devices, machines and geographies, powered by data and global connectivity in a secure, fast and reliable manner. We are focused on helping our customers future-proof themselves while building agile, future-ready businesses. This will be enabled through seamless, secure digital workplaces that deliver rich and productive customer engagements online.

### 5 PRIORITIES



### Secure Connected Digital Workplace

Tata Communications' Secure Connected Digital Workplace solution, one of the offerings of the SCDx proposition, enables employees, including BPO/KPO agents, to work from home seamlessly by providing secure connectivity and access to the

enterprise applications and data across cloud and data centres. It also enables rich collaboration by maximising productivity to build the workplace of the future. Our secure and innovative zero-trust solutions factor the need of compliance, identity management and cyber threat protection to enable anywhere, anytime workforce enhancing employee experience.



### Tata Communications' Digital Customer Experience Platform

Tata Communications Digital Customer Experience Platform seeks to enable growth by transforming the customer engagement and sales processes for enterprises. It provides secure, in-store experiences to customers without having to leave the home i.e. - through a digital-first

experience with secure video collaboration and e-commerce tools. With a full range of omni-channel capabilities, AI, and automation, our Digital Customer Experience Platform is delivered from the cloud, can be tailored for differentiation and business results, and allows organisations to rapidly achieve a superior digital customer experience.

### eSIM Technology

Tata Communications acquired 58.1% stake in Oasis Smart SIM to deliver an enhanced full-service enterprise mobility solution to customers.

Oasis Smart SIM Europe SAS ('Oasis') is a France-headquartered embedded-SIM ('eSIM') technology provider that develops and provides advanced technologies and personalised services to enable the deployment of eSIM and SIM technologies. With this investment, eSIM technology will be fully integrated into Tata Communications MOVE™, enabling an end-to-end embedded connectivity solution and strengthening Tata Communications

MOVE™ as a single source platform for global enterprise mobility needs.

Tata Communications and Oasis have a shared vision of making connectivity across end users, devices and machines, all-pervasive. Through this investment, we will focus on the software layer of the Tata Communications MOVE™ portfolio and drive further

innovation in eSIM technology through product roadmap R&D. With Tata Communications MOVE™, enterprise customers now have access to a secure, complete end-to-end mobility platform. They gain independence, flexibility and greater control of their mobility requirements, as they look to leverage IoT and M2M solutions to transform their business.



# Message from the MD & CEO

## Dear Shareholders

I hope you and your family are well and safe.

The past year has seen the Covid 19 pandemic creating unprecedented havoc in the lives and livelihoods of people across the globe. With vaccination programmes underway in most countries, we are still far from completely encompassing the entire global population. In this scenario, we must continue to remain vigilant, be safe and healthy ourselves as well as oversee the health of our families, our colleagues and our communities.

In the midst of this, the past year has seen some landmark developments in Tata Communications. We witnessed the Government of India divest its entire shareholding of 26.12% in our Company. I would like to take this opportunity to thank the Government of India for their support and for being a valuable shareholder to us. I, also thank the Tata Group for bestowing their confidence in us by increasing their shareholding in Tata Communications. As we embark on our journey with renewed vigour, we continue to drive our business on the tenets of the Tata Group.

We continued to deliver on our commitments to our customers, our shareholders, our partners and our employees with a focus on “Leadership with Trust”. We understand the crucial role we play in the digital transformation journeys of our customers. Our dedicated teams across all markets have done exemplary



**We witnessed the Government of India divest its entire shareholding of 26.12% in our Company. I would like to take this opportunity to thank the Government of India for their support and for being a valuable shareholder to us.**



work throughout the year to help our customers overcome challenges - shifting to work from home environments, upscaling our networks capability to manage the increased internet traffic, re-engineering enterprises' digital architectures to ensure seamless, remote connectivity for their ecosystems and, bringing

in innovative products and solutions to meet the demands of the new business environment. Our teams collaborated across the organisation with agility to introduce new offerings into our portfolio helping to reenergise the global ecosystem.

### Enabling Digital Transformation for our Customers' Ecosystem

Through the year, we have been enabling businesses achieve borderless growth by boosting product innovation and superior customer experience, improving productivity and efficiency, embedding agility and managing risks. The customer has been at the heart of all our product and service solutions and innovations.

Covid-19 pandemic has brought several operational challenges as well as increasing reliance on digitisation which is presenting the Company with unique opportunities. Certain enterprise segments like hospitality and travel were significantly impacted by Covid 19 while some others such as Media & Entertainment, fell sharply due to cancellation or postponement of major live sporting events. With the year witnessing lockdowns in different forms across markets, our teams collaborated with customer teams to bring alive events to consumers at home with cloud solutions enabling remote operations, new broadcast technology together with an entire suite of media solutions.

**“We continued to deliver on our commitments to our customers, our shareholders, our partners and our employees with a focus on “Leadership with Trust”.**”

We worked with several sports federations and live events to help them restart safely behind closed doors (without on-ground spectators). Our teams worked tirelessly to deliver the same high-quality live production remotely, while dramatically reducing the number of on-site people required at the event. We supported global distribution of over 9,000 live events, 700 TV channels, with 60,000 hours of live events and reached over two billion sports fans, while many of the countries were under lockdown.

As enterprises were resetting due to COVID-19, we were also quick to launch our Secure Connected Digital Experience (SCDx) proposition, a customised, integrated digital solution enabling enterprise employees to work from



# Message from the MD & CEO

anywhere with secure, scalable and high performant solutions, enabling e-commerce and video collaboration for superior digital engagement, and digitising and integrating various physical distribution channels and supply chains.

Network has been central to our offerings. This has been helping companies adapt to the realities of digital transformation, workforce mobility and consumer experience. Our networks and platforms are assisting enterprises manage the growing global necessity of anywhere operations which demands far higher levels of working from home and simultaneously controlling rising security risks. We are also enabling more contactless experiences for employees, customers and supply chain partners of our customers. This has been proved to be absolutely essential in the new cloud-first, internet-first environment.

Through the year, we enabled hundreds of thousands of users globally for remote working. We

offered solutions for our customers in record time - in some cases, deploying changes, upgrades and relevant solutions such as secure military-grade 'zero trust network' in less than six hours in order to ensure that the customers have the right services and solutions needed for business continuity.

By enabling such enterprises, we have been able to uniquely position ourselves as a global digital ecosystem enabler driving digital transformation for enterprises and unlocking opportunities for businesses.

## Strengthening our Portfolio & Integrating Solutions

To ensure delivery on our promise as an ecosystem player, we launched our strategic shifts focusing on platforms and not products, creating the right teams and culture, and embedding sustainability, innovation and AI at the core of our business.

Network is our core strength. As a Tier-1 Service Provider, we are

providing global IP backbone capacity spread across multiple routes ensuring a robust and resilient network. There has been a huge spike in internet traffic during the pandemic. We provisioned double-digit Tbps capacity in various segments across the internet network to cater to this upsurge of ~45% in internet traffic. In subsequent quarters, this traffic started to moderate and has now gone back to pre-COVID levels.

We are making our network future ready. In the cloud-first internet-first era, we believe the network will be the common thread that will hold complex IT architecture together and the importance of networks will increase manifold. We have been continuously improving our IZO™ platform with an overlay of SDWAN making networks more programmable, intelligent and secure and, recently launched variants of our IZO™ Internet, which is giving us flexibility to participate in larger multi-country, multi-location deals with an agile solution at competitive price points. We are helping global enterprises transform their networks more towards cloud, internet, and mobility. To better serve our customers for this, we reorganized ourselves by creating three distinct product units focusing on Cloud, SDWAN, and Security Solutions; Mobility and Collaboration Solutions; and Global Technology, Network & Operations Solutions.

Cloud has already established its value for many businesses, improving agility, scalability as well as cost efficiencies. Our IZO™ Private Cloud platform is enabling

enterprises manage the scale demand with agility. Our offering works with dedicated infrastructure to create a seamless hybrid cloud or works with public cloud platforms, offering a multi-cloud environment as per business needs. As part of our multi-cloud strategy, we have expanded our managed public cloud services portfolio.

Our global mobility offering rides on the theme of 'born connected', embedding connectivity across man, machine and material addressing business requirements in automotive, aviation, logistics, transport, manufacturing, healthcare, and MVNE (Mobile Virtual Network Enabler).

I believe Internet of Things (IoT) deployments transform enterprises from being reactive to proactive, from proactive to being predictive, and ultimately from being predictive to anticipatory. With Tata Communications MOVE™ and our associations with over 600 mobile network operators, we have a strong mobility, connectivity and collaboration offering. For the India IoT market, we are offering large scale end-to-end solution deployments for connected workers and applications such as smart lighting, smart metering, safety trackers, etc.

Furthermore, we recently acquired 58.1% stake in Oasis Smart SIM Europe SAS with a shared vision of making connectivity across end users, devices and machines, all-pervasive. Through this investment, we are focusing on the software layer of Tata Communications MOVE™ portfolio to drive further

innovation in eSIM technology where customers have access to a secure, complete end-to-end mobility platform. This will allow customers greater flexibility and control of their mobility requirements, as they look to leverage IoT and Machine-to-Machine (M2M) solutions to transform their business.

We are also investing in advance prediction capability to detect and remediate attacks faster. In our Unified Communications offering we have recently launched our Fraud Prevention as a Service (FPaaS) leveraging AI and analytics. We, further, enhanced our services by offering Service Wrap to deliver end-to-end holistic solutions to our large enterprise customers, with deeper engagement and co-creation of solutions.

As we have seen, technology has been a great enabler for companies to grow without borders and overcome hurdles to integrate, not just cultures, but also networks and enterprise architecture- driving efficiencies with layering solutions embedded with AI, innovation and sustainability.

## Driving Sustainability as a Culture

Sustainability is intrinsic and integral to our ethos. As we drive our business of enabling digital ecosystems, we believe we have a responsibility towards the larger ecosystems on our Planet. We are supporting the United Nations Sustainable Development Goals (SDGs) that are focusing on reducing our



**Our IZO™ Private Cloud platform is enabling enterprises manage the scale demand with agility.**



carbon footprint and dedicating our reach and technology to help our customers transform their businesses while conserving resources and, harnessing our digital enablement expertise to drive community development. We are taking a position in protecting the environment by reducing our dependencies on natural ecosystems, enhancing our ability to produce goods and services that yield economic, environmental, and social benefits. Our collective human effort is the need of the hour.

For our efforts in this domain, we have been recognized by the global environmental non-profit organization, Carbon Disclosure Project (CDP), with the distinguished 'A-' leadership score for implementing current best practices and sustainability



**We provisioned double-digit Tbps capacity in various segments across the internet network to cater to this upsurge of ~45% in internet traffic.**



# Message from the MD & CEO

for climate change. This positions us among the top 34% companies globally, while the global average score is 'C'. Gaining a position brings with it accountability which we are owning responsibly.

## Winning Global Benchmarks

Empowering our teams responsibly is bearing fruit of recognitions on various fronts. It gives me a sense of achievement to share these with you as members of our larger family to celebrate together.

- Our Net Promoter Score highlights that our customer satisfaction is scaling newer heights beyond even global standards of consumer-oriented companies to be in the topmost position with a score of 80 points. We have achieved this by keeping our customers at the heart of everything that we do to garner this industry-leading status.
- Our Network Services continue to command a leadership position globally for completeness of vision and execution ability. We have been recognized as a leader in March 2021 Gartner Magic Quadrant for Global Network Services for the eighth year in a row.
- Our employee-focussed approach and the commitment of our leaders, managers and HR teams have been able to create more value for our customers, especially through the unprecedented challenges of this past year, and helped us in securing coveted awards



**With a stronger balance sheet and improvement in profitability, the Company is on its way towards a digital transformation journey.**



and certifications globally. We were recognised by Kincentric as 'Kincentric Best Employers-India 2020' (formerly Aon Best Employers) for the fifth consecutive year, by Great Place to Work® Institute as **'Best Companies to Work For'** for India (for fourth consecutive year) and Canada, **"Best Workplaces in Asia"** for Hong Kong (for second consecutive year), by Working Mother and Avtar as **'100 Best Companies for Women'** in India. We were also Great Places to Work – Certified™ by Great Place to Work® Institute in India, Hong Kong, USA, Canada and Australia.

With these accolades, we continue to win the hearts of our customers, employees, partners, vendors.

## Gaining Market Stronghold

While driving business growth, it has also been essential for us

to focus on our financial fitness ensuring the efficacy of our Company's well-being. Towards this end, through our solutions and platforms approach, we embarked upon the year to focus on the right operating structure to drive EBITDA growth and profitability in addition to revenue growth. Our aim has been of maintaining capex discipline, generating higher cash leading to net debt reduction.

I am happy to report that we are making good progress on our well-defined strategy and our execution on financial fitness is producing good results. Our strategic shifts from products to platforms, deeper customer engagements are progressing well. With a stronger balance sheet and improvement in profitability, the Company is on its way towards a digital transformation journey.

With a good performance in a tough year, we delivered a strong fiscal profit, highest in 11 years. Our profit for the year was at ₹ 1,251 crores (USD 168 Mn) as compared

to a loss of ₹ 86 crores in FY20 due to strong operating performance during the year. This also resulted in a strong consolidated EBITDA coming in at ₹ 4,261 crores (USD 574 Mn), up +29.5% YoY. Our strong cash flow generation is helping us bring the debt down with Net Debt to EBITDA at 1.8x as compared to 2.8x a year earlier. Return on Capital Employed for FY 2020-21 is at 24.6% as compared to 11.5% in FY 2019-20; an improvement of over 1310 bps.

It is with great pride I share that recording the Company's performance, the Board has recommended a dividend of ₹ 14 per share for the current fiscal.

## Growing Outlook

Looking ahead, I believe all the building blocks are in place and we are now ready to propel the Company into a new growth trajectory. We are continuing to sharpen our execution further to consistently deliver on our strategy.

I, also acknowledge our pillars of strength, our people. The passion and drive they are bringing to our customers and to our business is truly remarkable. On behalf of the Board, I would like to thank each and every employee for their dedication and for working tirelessly throughout the year ensuring the Company was providing continuous support to our customers during the pandemic.

Personally for me, this past year has been a tremendous journey



**With a good performance in a tough year, we delivered a strong fiscal profit, highest in 11 years. Our profit for the year was at ₹ 1,251 crores (USD 168 Mn) as compared to a loss of ₹ 86 crores in FY20 due to strong operating performance during the year.**



of learning and growing with Tata Communications. On behalf of the Board, I would also like to thank each one of our shareholders for your continued trust and support in our transformation journey. We stay committed to empowering businesses by taking them on their digital transformation journeys.

**Amur S. Lakshminarayanan**  
Managing Director and CEO  
**Tata Communications Limited**

# Our Capitals



## Manufactured and Intellectual Capital

In this fast changing era, real-time information, cloud, Internet of Things, Artificial Intelligence and state-of-the-art digital platforms are becoming critical to enterprises' functionality. With a customer solution orientated approach, proven managed service capabilities and cutting-edge infrastructure, we drive the next level of intelligence powered by cloud, mobility, IoT, collaboration, security and network services.

**4 out of 5**

Mobile subscribers in the world are connected through our network

**300**

Media hotspots across the globe

**2.24 billion**

International A2P SMS transited via Mobile Messaging Exchange (MMX)

Providing connectivity to more than

**400+ million**

Expected number of people to be touched with our LP-WAN Internet of Things network in India

Reaching **2bn+**

Sports fans across various broadcast platforms

**190+**

Countries and additional dependent territories the world

Read more on Page 90



## Financial Capital

It encompasses financial resources obtained from debt and equity financing, internal accruals and returns from investments and utilised in conducting and expanding our operations. We leverage these funds to create value for our stakeholders.

**₹ 17,100 crores**

Gross Revenue

**₹ 399 crores**

Of proposed Dividend payout (41.45% of net profit)

**24.6%**

ROCE

Read more on Page 98



## Natural Capital

We strive to reduce our impact on the environment by increasing usage of renewable source of energy, recycling waste and reducing water consumption.

**~14%**

Of electricity used procured from wind or solar energy

**50,175**

Cubic meters of water recycled for reusing

**33%**

Of non-hazardous waste generated from our operations was recycled

**~4.30 million KWH**

Of energy savings (annual savings of ₹ 4.15 crores)

Read more on Page 100



## Social and Relationship Capital

Trust-based and mutually beneficial relationship with our stakeholders including investors, customers, business partners, society and the government empowers us to sustain our business.

**₹ 9.22 crores**

Investment towards societal initiatives

**250,050**

Beneficiaries of our CSR Programmes

**20,830**

Volunteering hours by employees for CSR initiatives

**300+**

Touch points with investors and analysts

Read more on Page 104



## Human Capital

The skills, capabilities, experience, diversity and dedication of our employees gives us an edge over our competitors. We strive to provide a work environment in which they feel included, engaged and motivated to perform.

**50+**

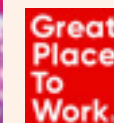
Diverse Nationalities

**112,782**

Person-days of learning

**1:3.5**

Female to Male Ratio



**Great Place to work**

Certified for India, Hong Kong, Canada, United States and Australia offices

**1,771**

New recruits

Read more on Page 113

# Key Megatrends

## Growth of Platform based business model

Platform based business model has been gaining traction and reshaping global trade as it is enabling companies to create value by facilitating exchanges between different groups through creation of digital communities and marketplaces. This business model is empowering companies to expand their operations and increase their market share.

**7 of 10**

Most valuable companies are based on platform business model<sup>1</sup>

## Need for Managed Services

Owing to remote working models adopted by companies across the globe to contain the spread of the novel coronavirus, managed services for cloud, IoT platforms, containers, DevOps, managed mobility, information services and Big Data have been witnessing significant increase in demand. The increase in demand will continue to grow in both short and long-term periods as the companies shift their focus towards managed services and their applications.

**11.2%**

CAGR growth of global managed services between 2021 and 2026<sup>2</sup>

## Internet of Things (IoT)

The adoption of IoT enabled devices has been increasing across industries and applications, and the data generated from these devices is creating new opportunities to improve business outcomes. The data generated from these devices is enabling businesses to gain organisational insight, take quick and accurate decisions and improve efficiency and productivity.

**79.4 ZB**

Data will be generated globally, by 41.6 billion IoT devices by 2025

## Cloud Computing

Over the last decade, cloud computing has been a megatrend and has been witnessing significant increase in demand. The disruption caused by the Covid-19 pandemic has forced businesses to become agile enough to scale up or scale down as per demand. Cloud platforms provide enterprises with an agile, scalable, and cost-effective IT infrastructure that supports their business processes and enables them to scale their operations. Looking ahead, enterprises are anticipated to deploy combinations of on-premises, off-premises, public, and private clouds as their default environments in order to strengthen their business model.

**90%+**

of global enterprises will rely on hybrid cloud by 2022<sup>3</sup>

## Artificial Intelligence (AI)

AI forms an integral part of every digital strategy and is used in a variety of applications across industries as it empowers enterprises to drive both innovation and improve business operations. Revenue from AI is anticipated to grow significantly driven by machine learning, deep learning and conversational AI applications going forward.

**17.1%**

5-year CAGR growth in revenues for the artificial intelligence (AI) market worldwide<sup>4</sup>

## Tata Communications' Response

**01**

While all the areas of our portfolio are expected to grow, we have identified 6 key pillars, i.e. Mobility & IoT, Collaboration, Next Generation Connectivity, Cloud, Edge & Security, Voice and NetFoundry™ that will significantly contribute to our growth in revenue.

**02**

We have been constantly monitoring changes in the market environment and transforming our offerings to meet and exceed the expectations of our customers. This has enabled us to ensure sustained growth.

**03**

We leverage our customer centric approach to help our customers make the most of the latest digital innovations and be agile, flexible and responsive.

**04**

We constantly upskill our employees to embrace as per macroeconomic developments by providing them the right platform to continuously learn and re-educate themselves.

**05**

With the changing technological landscape, we constantly challenge ourselves and innovate to invest in our future.

<sup>1</sup><https://innovator.news/the-platform-economy-3c09439b56>

<sup>2</sup><https://www.mordorintelligence.com/industry-reports/global-managed-services-market-industry>

<sup>3</sup><https://www.idc.com/getdoc.jsp?containerId=prMETA46165020>

<sup>4</sup><https://www.idc.com/getdoc.jsp?containerId=prUS46757920>

# Our Value Creation Model

## INPUTS

**Financial Capital**

₹ 285 crores Equity share capital	₹ 7,786 crores Net Debt	₹ 2,840 crores Free cash flow earnings
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**Manufactured and Intellectual Capital**

Tata Communications' IZO™ Cloud platform - most comprehensive platform of its type available today in research, development and marketing

<b>50+</b> Entities across the globe	<b>35</b> Years of experience and expertise
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**Human Capital**

<b>12,185</b> Number of employees	<b>50%</b> Employees aged between 25 to 35 years	<b>4,300</b> sessions of Health and Safety training for employees and contract workforce
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**Social and Relationship Capital**

₹ 9.22 crores Spent in CSR activities	<b>20,830</b> hours Volunteering hours	<b>93,787</b> Shareholders
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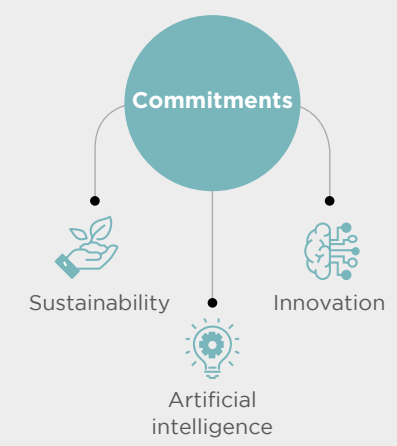
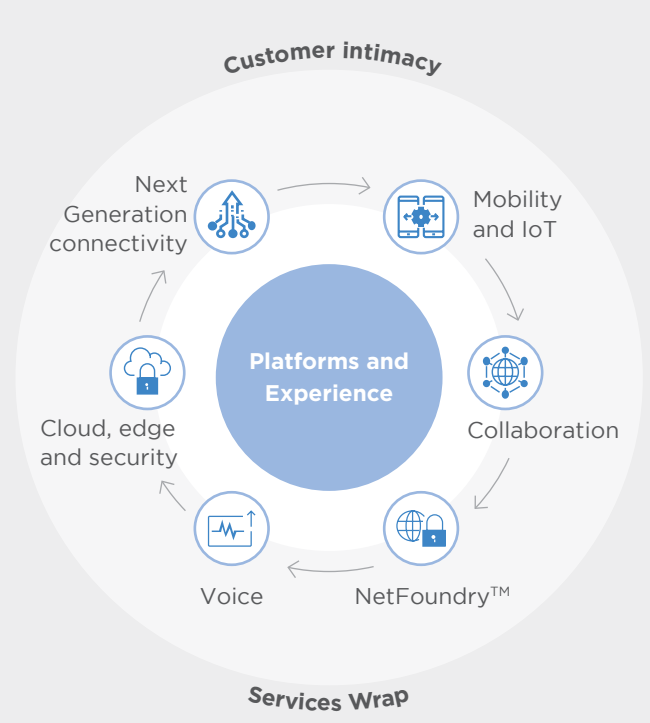
₹ 300+  
Touch points with investors and analysts

**Natural Capital**

<b>163 Mn KWH</b> Energy consumed	<b>631,000 cubic meters</b> Water drawn	<b>51</b> projects for optimising energy consumption completed
--------------------------------------	--	--

**Why we exist**

Deliver a new world of communications to the industry and our customers



**How we do it**

## Our DRIVE culture

- Daring
- Responsive
- Inclusivity
- Venturing
- Ethical

**Our values aligned with #reimagined strategy with the 6 tenets:**

- Ownership and Accountability
- Collaboration
- Can do attitude and growth mindset
- Being Agile
- Continuous learning and skills transformation
- Innovation and problem solving

## OUTCOMES

**Financial Capital**

₹ 9,919 crores Net Revenue	₹ 4,261 crores EBITDA	<b>24.6%</b> RoCE
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₹ 14.00  
Dividend per share recommended

**Manufactured and Intellectual Capital**

<b>18.2 billion</b> Minutes of international voice minutes serviced	Supported global distribution of over <b>9,000</b> live events; <b>700</b> TV channels with <b>60,000</b> hours of live events	Serve over <b>7,000</b> customers globally that represent over <b>300</b> of the Fortune <b>500</b> companies
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**80%**  
Cloud giants are connected to their business through us

**Human Capital**

<b>3,722</b> Industry-standard and in-house Certifications	<b>35%</b> YoY increase in person-days of learning	<b>11.7%</b> Voluntary attrition rate
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**100%**  
Learning programs conducted virtually

**22%**  
Diversity Ratio

**Social and Relationship Capital**

<b>117</b> Schools benefitted through our CSR activities	<b>80</b> (Top percentile) customer satisfaction score	<b>10</b> States covered in India through our CSR programs
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**250,050**  
Total number of people benefitted

**Natural Capital**

<b>50,175 m3</b> Water recycled	<b>12.88%</b> Reduction in total GHG Emissions in scope-1 emission	<b>13.06%</b> Reduction in scope-2 emission
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**4.30 million KWH**  
Energy saved

**33%**  
Non-hazardous waste recycled

**-23 million units**  
Renewable energy sourced

**STAKEHOLDERS IMPACTED**

- Investors and Shareholders
- Regulatory and Industry bodies
- Business Partners
- Customers
- Employees
- Community

# Stakeholder Engagement

**At Tata Communications, we believe an effective stakeholder engagement is paramount to the growth and continuity of our business. We engage with our stakeholders through various forums to understand their needs, expectations and concerns. This enables us to further strengthen our relationship with them and create a value-creation model where everybody wins.**

Stakeholders	Investors and Shareholders	Regulatory and Industry bodies	Business partners	Customers	Employees	Community
<b>Value Proposition</b>	Consistent returns on investments	Advocacy towards shaping policies for the future and enhancing the overall performance	Building healthy relationships, ensuring mutual growth opportunity, and sustainable operations	Differentiated platform, services and solutions, engineering support and partnering for growth	Competitive remuneration, growth opportunities and well-being at work	Significant and lasting positive impact on communities proximate to our operations
<b>Needs &amp; Expectations</b>	<ul style="list-style-type: none"> <li>• Transparency and sound governance</li> <li>• Continued operational growth and financial sustainability</li> <li>• Improve margin profile</li> <li>• Invest for long-term growth</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with set standards and policies</li> <li>• Clear and transparent disclosure in reporting</li> <li>• Maintaining sustainable operations</li> </ul>	<ul style="list-style-type: none"> <li>• Robust procurement practices</li> <li>• Long-term partnerships</li> <li>• Timely payment schedules</li> <li>• Fair revenue distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Offer high-quality services</li> <li>• Providing superior customer experience</li> <li>• Integrated solutions</li> <li>• Ensure data privacy and protection</li> </ul>	<ul style="list-style-type: none"> <li>• Safe and secure working environment</li> <li>• Non-discrimination and equal employment opportunities</li> <li>• Fair and equitable employee benefits</li> <li>• Recruitment and retention of skilled employees</li> <li>• Training and development programs for career progression</li> </ul>	<ul style="list-style-type: none"> <li>• Development of communities by providing education, healthcare and disaster relief</li> <li>• Enhance sustainable livelihoods by providing opportunities to women</li> </ul>
<b>Methods of dialogue</b>	<ul style="list-style-type: none"> <li>• Investor roadshows</li> <li>• Analyst meetings</li> <li>• Management conference calls</li> <li>• Frequent one-on-one meets</li> <li>• Corporate website</li> <li>• Subscription emails provided for specific analysts</li> <li>• Quarterly earnings conference calls</li> <li>• Press releases</li> <li>• Stock Exchange notifications</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in Seminars and events organized by the Regulatory Bodies</li> <li>• Making representations whenever required</li> <li>• Open house discussions</li> <li>• Forums/Seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Regular structured meetings</li> <li>• Recreational programs for building relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Satisfaction Surveys</li> <li>• Online platform</li> <li>• One-on-One Interaction</li> </ul>	<ul style="list-style-type: none"> <li>• Workshops, interviews and ranking exercises with managers</li> <li>• Employee Engagement Survey</li> <li>• Awards and recognition programs</li> <li>• Internal communication</li> <li>• Informal meets with various senior leaders</li> </ul>	<ul style="list-style-type: none"> <li>• Regular interactions during societal activities</li> <li>• Monitoring projects through cloud-based tool</li> <li>• Global Employee Volunteering Program</li> <li>• Community welfare programmes</li> </ul>
<b>Capital Linkage</b>	<ul style="list-style-type: none"> <li> Relationship</li> <li> Financial</li> </ul>	<ul style="list-style-type: none"> <li> Relationship</li> <li> Natural</li> </ul>	<ul style="list-style-type: none"> <li> Relationship</li> <li> Financial</li> <li> Manufacturing</li> </ul>	<ul style="list-style-type: none"> <li> Relationship</li> <li> Financial</li> <li> Intellectual</li> </ul>	<ul style="list-style-type: none"> <li> Human</li> <li> Financial</li> </ul>	<ul style="list-style-type: none"> <li> Social &amp; Relationship</li> <li> Financial</li> </ul>



# Aiming for a Sustainable Balance

**At Tata Communications, we aim to create value for all our stakeholders by striking the right balance between People, Planet, and Profit. Connecting global and local megatrends with initiatives that have a significant positive impact on people and the environment, while also enriching the lives of our stakeholders, is intrinsic to our business.**

We are dedicated to using our reach and technology to help solve some of the world's most pressing environmental and social challenges such as climate change, resource conservation, and inequality. Sustainability is core to our strategy, policies, and standards and we seek to embed this thinking across our operations and our solutions for our customers.

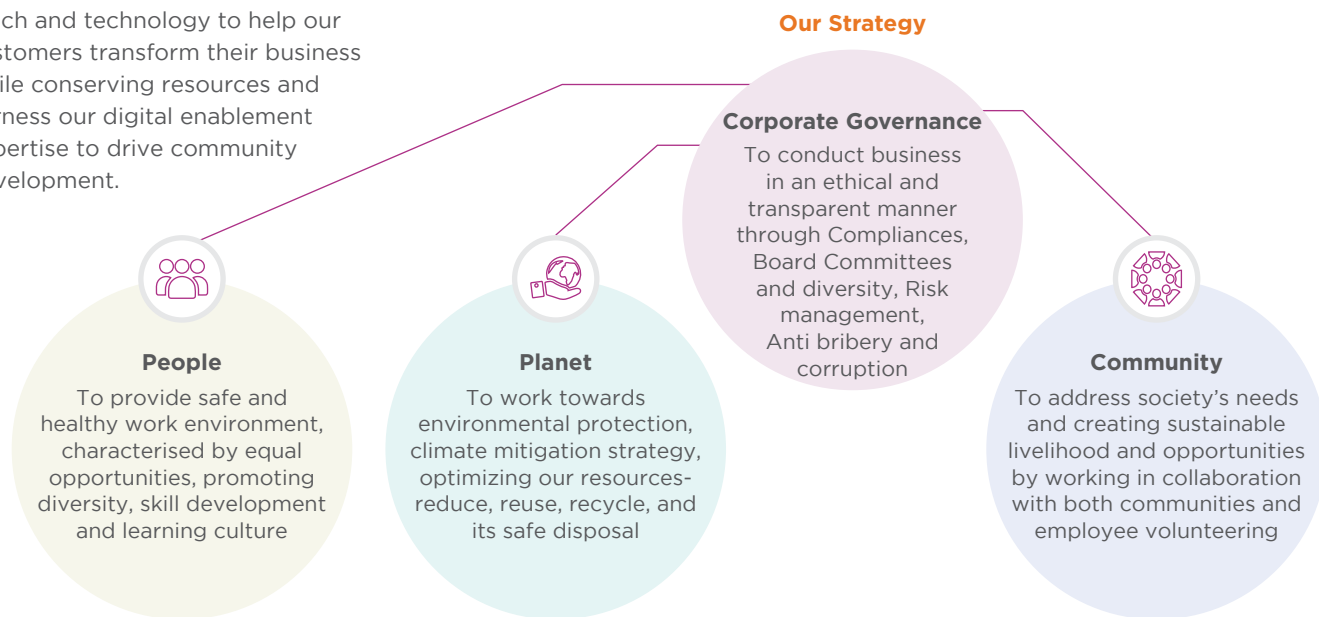
As a long-time supporter of the United Nations Sustainability Development Goals ('SDGs'), sustainability has always been intrinsic in our DNA, where we continually seek to improve our carbon footprint and dedicate our reach and technology to help our customers transform their business while conserving resources and harness our digital enablement expertise to drive community development.

## Reimagining Sustainability

As a new normal emerges, we have embarked on a strategic shift that redefines our role as a digital ecosystem enabler and puts sustainability at the core of our growth plan. The goals and priorities were reimagined to make a positive, tangible impact on the environment and wider society through our actions and our products and services for our customers.

Our sustainability strategy and vision is based on the Environmental, Social, and

Governance ('ESG') framework and aims to create long-term stakeholder value and sustainable growth for our business by managing risks and embracing opportunities, implementing robust governance practices, and optimisation of the economic, environmental and social performance. Accordingly, our sustainability strategy stems from and corresponds to three key pillars - People, Planet, and Community, which in turn are strengthened by robust Corporate Governance.



## Implementation of Sustainability Strategy

### Embedding Sustainability into Corporate strategy and scorecard

Our sustainability strategy was embedded in overall the organisation strategy and was released formally in April 2020. Further, sustainability metrics ('KPIs') are included in the Corporate Scorecard and performance is being tracked on a quarterly basis.

### Governance and review mechanism

Accountability towards sustainable development runs deep within the organisation.

### Board and Leadership

Responsible for overseeing and monitoring the effectiveness of the Tata Communications Sustainability Strategy and its implementation.

### Sustainable Development Committee

MD and CEO chairs the Sustainable Development Committee which provides overall guidance along with reviewing and integrating sustainability priorities and commitments with the overall business strategies, risks, and opportunities.

### Sub Committee of Sustainable Development Committee

Comprises of cross-functional representatives from EOHS, HR, CSR, Customer/ Product, Supply Chain, International Operations, and more functions. It oversees the organisation's progress on business sustainability and aspects.

All committees are ably supported by our EOHS & Sustainability team. Further with the deep domain knowledge of professionals from diverse disciplines, all committees are able to embed robust sustainable practices in our business operations.

### Capacity building and awareness

As an organisation, we have devised multifaceted platforms and tools by which we are trying to bring awareness on the subject to our internal and external stakeholders. Key ones include -

### Tata Sustainability Month (June):

To promote the culture of sustainability and raise awareness

among employees on the philosophy of sustainability in the organisation, we organise Tata Sustainability Month (TSM).

**DRIVE week:** Comprising of global 'tools-down' days to innovate and collaborate through employee volunteering. This is a one-of-its-kind global volunteering campaign for community action which unites all the on-roll employees to volunteer for a cause of choice for a "better world and workplace".

**E-Learning module:** To further embed sustainability within our business and employees, the EOHS & Sustainability team is working on releasing an e-Learning module on

the subject "Sustainability and its Business relevance" for employees in FY 2021-22. The module will cover Global Megatrends driving Business Sustainability in the Information and Communication Technologies ('ICT') sector, including climate change issues and other environmental concerns.

### Reporting and Communication

#### Business Responsibility Report and Annual Report

Tata Communications reports on the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business via the Business Responsibility Report which forms part of the Annual Report.

#### Sustainable Development Report

To strengthen our commitment towards greater transparency, deeper engagement, and stakeholder management, Tata Communications annually releases its Sustainable Development Report as per Global Reporting Initiative ('GRI') Standards. This report is available on our website.

#### Carbon Disclosure Programme ('CDP')

Tata Communications has been reporting to CDP since 2015. For CDP 2020, we have been recognised with the distinguished 'A-' leadership score for implementing current best practices in climate change and its mitigation. We will continue to report our progress on the subject on annual basis.

# Customer Stories

## 1. Managed Security Services ('MSS'):

'Anywhere Operations' have become the new reality for organisations today due to the Covid 19 pandemic. Coupled with the growing cloud adoption, it has driven organizations globally to give access to their employees and stakeholders to their networks and clouds through the internet for their day-to-day work, exposing organisations to a wide range of online security risks. Our Global Secure Internet Gateway Services ('GSIGS') offering prevents unsecured traffic from entering an organisation's network by providing superior quality, fully hosted, multi-layered security service on a cloud platform. This protects enterprises from downtime through early warning security intelligence and ensures continuity of operations with 24x7 managed security for local networks and mission-critical assets.

**50%**

Saving compared to GVPN connectivity

**BUILT-IN SECURITY**

With cloud-based platform

**3 TO 4 DAYS**

Network delivery compared to 8 weeks earlier

## Liberty General Insurance ('LGI')

For Liberty General Insurance (LGI), a private general insurance company, we have deployed the secure, cloud-based GSIGS solution.

**33%**

LGI branches have GSIGS connectivity get GSIGS connectivity

LGI's remote employees can also offer exemplary service by getting fully featured access to corporate apps and data. GSIGS will help everyone get a 360° customer view by bringing Customer Relationship Management information to all client-facing desks.

## 2. IZO™ Private Connect

### Tata Communications IZO™ Private Connect

As more and more organisations move their workloads to cloud, a high performance, secure and reliable connection is imperative for higher productivity and user experience. Tata Communications IZO™ Private Connect helps organisations link their business networks to leading cloud service providers. It enables high performance, secure connectivity and improved user experience. It manages risk and protects data by acting as a gateway to the cloud, providing dedicated network capacity over a geographically diverse

private network. It also enhances efficiencies with a single, fully managed global platform for network management that is supported by 24x7 customer service.

### Dr. Reddy's

We enabled Dr. Reddy's, a multinational pharmaceutical company, to deliver a superior end-user experience by improving latency and driving efficiencies for their cloud-based operations with fast, secure links to the Google Cloud Platform ('GCP').

**15-20**

Milliseconds latency

**10-15%**

Higher efficiency anticipated

**50+**

Global locations united in the cloud

**CONSISTENTLY**

High service level

IZO™ Private Connect (Google Cloud Interconnect) also protects Dr. Reddy's confidential and commercially sensitive data by safeguarding it against security threats prevalent on the public Internet.

## 3. IZO™ Private Cloud

An acceleration in digital transformation agenda has driven many organisations to rethink their IT infrastructure and adopt a hybrid cloud approach. Tata Communications IZO™ Private Cloud is an integrated cloud platform for managing IT Infrastructure and business-critical workloads. It provides a single orchestration platform to integrate, manage, and control distributed IT environments for enterprises. It has the flexibility to scale up or scale down and move between private and public cloud to meet business requirements. It offers 24x7 support, security and privacy to safeguard data against cyber threats.

### India Power Corporation Limited ('IPCL')

For India Power Corporation Limited, a leading Indian energy

company, we were able to meet their compute and storage needs, without costly over provision, by optimising our IZO™ Private Cloud platform.

**99.5%**

Availability [Service Level Agreement ('SLA') always exceeded]

**OPTIMISED**

For vast ERP data volumes

**SIGNIFICANT**

Digital CX improvements

**INSTANT**

Scalability demonstrated

Cloud performance underpins the implementation of digital and IoT services for a superlative customer experience reflecting IPCL's passion for continuous change. Such digital apps breed vast volumes of data and IZO™ Private Cloud assures the scalability for this. The compute and storage agility provided by Tata Communications enables innovations like mobile apps and a customer portal. This is appreciated by both internal and external customers who use it for intelligent reports, billing and service-related queries.



# Profile of Board of Directors



**Ms. Renuka Ramnath**  
Chairperson &  
Independent Director

Ms. Renuka Ramnath is the Founder, Managing Director and CEO of Multiples Alternate Asset Management, a private equity manager and advisor to funds of ~ USD 1.6 bn. She has over 30 years of experience in the Indian financial sector across private equity, investment banking and structured finance. Ms. Ramnath started her career with the ICICI Group and had leadership roles in investment banking, structured finance and e-commerce. She led ICICI Venture as the MD & CEO of ICICI Venture to become one of the largest private equity funds in India. One of the most experienced private equity fund managers in India, Ms. Ramnath has a full cycle track record of investing capital

raised from global Institutions. She is a Board member of EMPEA, the global industry association for private capital in emerging markets. She is also the Chairperson of the Executive Committee of Indian Venture Capital Association. She is a recent winner of the IVCJ Special Achievement Award.

Ms. Ramnath has obtained a graduate degree in textile engineering from V.J. Technological Institute (VJTI), University of Mumbai and a post graduate degree in management studies from University of Mumbai. She has also completed the Advanced Management Program from the Graduate School of Business Administration, Harvard University.



**Mr. Srinath Narasimhan**  
Director

Mr. Srinath Narasimhan is presently the Chief Executive Officer of the Tata Trusts. He joined Tata Communications (then known as VSNL) in 2002 as Director (Operations) when the Tata Group was selected as the strategic partner at the company. Mr. Srinath was the Managing Director of Tata Communications Limited from February 2007 till January 31, 2011. Under his leadership, Tata Communications transformed from a monopoly, public sector undertaking into a global communications services provider offering advanced network, managed and cloud services to customers worldwide. Mr. Srinath joined Tata Teleservices Limited as non-executive director in January 2003. He took over as the Managing Director of Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited from February 1, 2011 till March 31, 2020. Effective April 1, 2020, Mr. Srinath continues as a non-executive director of Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited.

Since joining the Tata Administrative Services in 1986, Mr. Srinath has held positions in Project Management, Sales & Marketing, and Management in different Tata companies in the ICT sector over the last 33 years. Mr. Srinath has also served as the

Chief Executive Officer of Tata Internet Services from late 2000 to February 2002 and Chief Operating Officer at Tata Teleservices Limited in 1999. In the early part of his career, he was Executive Assistant to the Chairman of Tata Industries Limited, a position he held until March 1992. He was part of the team that set up Tata Information Systems (later known as Tata IBM) and where, between 1992 and 1998, he worked on a number of assignments in sales and marketing.

Mr. Srinath has received several recognitions in the telecom industry. For a period of two consecutive years (2008 and 2009), he was named as the world's eighth most influential telecom personality by the Global Telecoms Business magazine as well as the 'Telecom Person of the Year' by the India-based Voice and Data magazine in 2008. Mr. Srinath was also named the 'Telecom CEO of the Year' in Asia by the leading publishing group Telecom Asia in 2006, and in the same year he was conferred the Udyog Rattan Award by the Institute of Economic Studies (IES).

Mr. Srinath holds a degree in Mechanical Engineering from the Indian Institute of Technology, Chennai and an MBA from the Indian Institute of Management, Kolkata, specializing in Marketing and Systems.



**Mr. Amur S. Lakshminarayanan**  
Managing Director and  
CEO

Mr. Amur S. Lakshminarayanan has over 35 years of experience in a broad range of leadership roles across regions and industries. Through the course of his career, he has managed and developed scalable businesses, with a deep understanding of the global technology market and the growing digital needs of enterprises.

Prior to joining Tata Communications, Mr. Lakshminarayanan was President and CEO of Tata Consultancy Services Japan, Ltd. where he was in charge of accelerating the company's market opportunity and developing the brand in the region.

Other leadership positions within TCS also include: Global Head of four P&L units (Telecom, Media & Information Services, HiTech and Utilities) that grew to contribute a combined revenue of over \$2.4b under his leadership. He had also held the position of Head of UK & Europe where he brought significant growth of the business resulting in it being recognised as a major IT player locally in the market.

Mr. Lakshminarayanan has worked in USA, Hong Kong, Australia, UK, Japan and India. He holds a Degree in Mechanical Engineering from BITS, Pilani and is an alumnus of London Business School. He is also a long-standing member of IEEE.



**Dr. Uday B. Desai**  
Independent Director

Dr. Uday B. Desai was the Founding Director of IIT Hyderabad (IITH) from June 2009 to June 2019. He was also the Mentor Director for IIT Bhilai, and for IIIT Chittoor. At present he is Prof. Emeritus at IITH. He is also a Strategic Consultant for Telecom Standards Development Society of India, Honorary Professor at Woosong University, South Korea, Chancellor at ICFAI Dehradun and Chancellor at Anurag University Hyderabad.

Dr. Desai has held faculty positions at many universities: Assistant and then Associate Professor at the School of Electrical Engineering and Computer Science Department at Washington State University; and Professor in the Electrical Engineering Department at the Indian Institute of Technology - Bombay. He has held positions of Visiting Associate Professor at Arizona State University, Purdue University and Stanford University, and has been a visiting Professor at EPFL, Lausanne. Dr. Desai has also held positions of Dean of Students at IIT-Bombay and Director of HP-IITM R and D Lab. at IIT-Madras.

Dr. Desai received a B. Tech. degree from Indian Institute of Technology, Kanpur, India, in 1974, an M.S. degree from the State University of New York, Buffalo, in 1976, and a PhD from The Johns Hopkins University, Baltimore, U.S.A., in 1979, all in Electrical Engineering.

He has been a co-author of 9 research monographs and authored nearly 300 peer reviewed papers in international journals and international conferences - broadly in the area of signal processing and wireless communication. His research interest areas include AI, IoT, wireless communication, and cyber physical systems.

Dr. Desai is a Fellow of INSA (Indian National Science Academy) and the Indian National Academy of Engineering (INAE) and a recipient of J C Bose Fellowship. He is also the recipient of the Outstanding Alumni Award from the University of Buffalo in 2015 and the Distinguished Alumni Award from IIT Kanpur in 2016.

# Awards and Recognition

## NETWORK

**Everest:** Network Transformation and Managed Services PEAK Matrix® Assessment 2020

**Gartner:** Leader in Gartner Magic Quadrant for Network Services, Global

**Avasant:** Avasant SD-WAN Managed Services 2020 RadarView - Global

**The ForresterWave:** Software-Defined WAN Services, Q4 2020

**IDC MarketScape:** AsiaPac Communication SP Managed SDWAN MarketScape 2020

**IDC MarketScape:** Worldwide Managed SD-WAN 2020 Vendor Assessment

## CDN/VIDEO CONNECT

**Omdia:** Leader in Omdia Global Video CDN Scorecard 2020

**Omdia Market Radar:** Leader in Omdia Remote Production on IP

**IDC MarketScape:** Asia/Pacific Next-Generation **Telcos:** Telecom Services 2020 Vendor

## UCAAS

**Frost Radar™:** Asia-Pacific Hosted IP Telephony and UCaaS Market, 2020

**IDC:** UCaaS MarketScape - Global

## SECURITY

Leader in F&S APAC MSS Market Study - India Chapter

Note: Dr. Maruti Prasad Tangirala and Dr. Rajesh Sharma ceased to be directors of the Company on May 10, 2021.

# Corporate Details

## Board of Directors

**Ms. Renuka Ramnath**  
(Chairperson - Independent)

**Mr. Amur S. Lakshminarayanan**  
(Managing Director & CEO)

**Mr. Srinath Narasimhan**

**Dr. Uday B. Desai**  
(Independent)

**Dr. Maruthi Prasad Tangirala**  
(Ceased to be a Director on May 10, 2021)

**Dr. Rajesh Sharma**  
(Ceased to be a Director on May 10, 2021)

## Key Managerial Personnel

**Mr. Kabir Ahmed Shakir**  
Chief Financial Officer

**Mr. Zubin Patel**  
Company Secretary

## Registered Office

VSB, Mahatma Gandhi Road, Fort, Mumbai - 400 001

Tel: +91 22 6657 8765

Email: investor.relations@tatacommunications.com

Website: www.tatacommunications.com

## Financial Institutions

Cisco Capital

Export Development Canada (EDC)

## Bankers

ANZ Bank  
Axis Bank  
Bank of America  
Bank of Nova Scotia  
ING Bank  
Citibank Inc.  
Deutsche Bank  
Development Bank of Singapore (DBS)  
Federal Bank  
HDFC Bank Ltd.  
Hongkong & Shanghai Banking Corporation (HSBC)  
ICICI Bank Ltd.  
Indian Bank  
Indian Overseas Bank  
IndusInd Bank Ltd.  
JP Morgan Chase Bank NA

Kotak Mahindra Bank Ltd.  
Ratnakar Bank Limited  
Standard Chartered Bank  
State Bank of India  
Yes Bank Ltd

## Legal Advisors

S&R Associates

Cyril Amarchand Mangaldas

Shardul Amarchand Mangaldas & Co

Trilegal

Khaitan & Co.

## Statutory Auditors

S.R. Batliboi & Associates LLP,  
Chartered Accountants

## Registrar & Share Transfer Agents

TSR Darashaw Consultants  
Private Limited  
C-101, 1st Floor, 247, Park, L.B.S.  
Marg, Vikhorli (West)  
Mumbai-400083

Tel: +91 22 6656 8484

Fax: +91 22 6656 8494

E-mail: csg-unit@tcplindia.co.in

Website: www.tcplindia.co.in

# NOTICE

NOTICE is hereby given that the 35<sup>th</sup> Annual General Meeting of Tata Communications Limited ("the Company") will be held at 11:00 hours (IST) on Wednesday, June 30, 2021, through Video Conferencing or Other Audio Visual Means to transact the following business:

## Ordinary Business

### 1. Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon.

### 2. Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the Report of the Auditors thereon.

### 3. Declaration of Dividend

To declare a dividend on Equity Shares for the financial year ended March 31, 2021.

### 4. Appointment of Mr. Srinath Narasimhan (DIN: 00058133) as Director, liable to retire by rotation

To appoint a Director in place of Mr. Srinath Narasimhan, (DIN:00058133), who retires by rotation and being eligible, offers himself for reappointment.

### 5. Ratification of appointment of Statutory Auditors

To consider and, if thought fit, to pass the following as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 139 and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and pursuant to the resolution passed by the Members at the 31<sup>st</sup> Annual General Meeting (AGM) held on June 27, 2017 in respect of appointment of the auditors, M/s. S.R. Batliboi &

Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W / E300004) for a period of five years, till the conclusion of the AGM to be held in the year 2022, the Company hereby ratifies and confirms the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W / E300004) as Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of 36<sup>th</sup> AGM of the Company to be held in the year 2022, to examine and audit the accounts of the Company for the Financial Year ending March 31, 2022 on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

## Special Business

### 6. Ratification of Cost Auditor's Remuneration

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹6 lakhs plus applicable taxes and out-of-pocket expenses on actual basis incurred in connection with the audit capped at 3% of the remuneration, payable to Ms. Ketki D. Visariya, Cost Accountant (Membership No.: 16028), who has been appointed by the Board of Directors as the Cost Auditor of the Company, to conduct the audit of the cost records maintained by the Company for the financial year March 31, 2022."

### 7. Alteration of the Objects Clause of the Memorandum of Association of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED that pursuant the provisions of Sections 4, 13 and other applicable provisions, if any, of the

Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to such amendments, modifications, terms and conditions as may be suggested or required by such appropriate authority(ies), which the Board of Directors is authorised to accept, as it may deem fit, consent of the shareholders of the Company be and is hereby accorded for modification, substitution, addition and deletion in the Objects Clause (Clause III) of the Memorandum of Association of the Company as follows:

- A. The existing sub-clause numbered 1 of Clause III A be deleted.
- B. The existing sub-clauses numbered 2 to 8 of Clause III A be re-numbered serially as sub-clauses 1 to 7.
- C. The sub-clauses numbered 9 to 58 under Part B of Clause III be re-numbered serially as sub-clauses 8 to 57."

"RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution), be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution(s)."

#### 8. Alteration of Articles of Association of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED that pursuant the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for the modification, substitution, additions, and deletion in the Articles of Association of the Company as follows:

#### A. The following Articles be Deleted:

Article No.	Article Description
Article 1(i)	"The President" means the President of India.
Article 1(u)	"Government of India or Government" means the President of India, as represented by and acting through the Ministry of Communications and Information Technology, Government of India.
Article 1(v)	"Strategic Partner" means Panatone Finvest Limited, a company duly incorporated and existing under the provisions of the Companies Act, 1956 and who has purchased 25% of the equity shareholding of the Company from the Government of India, in the year 2002.
Article 1(w)	"Shareholder(s)" means Panatone and Tata Sons the Strategic Partner and the Government.
Article 1(x)	"Other Shareholders" means the shareholders of the Company other than the Strategic Partner and the Government.
Article 1(y)	"All Shareholders" means collectively the Strategic Partner, Government and Other Shareholders.
Article 1(z)	"Parties" means collectively the Government and the Strategic Partner and Party means either of them.
Article 1(aa)	"Affiliate", with respect to a specified Person, means any other Person (a) directly or indirectly Controlling, Controlled by or under common Control with such specified Person; and/or (b) which is a holding company or subsidiary of such specified Person; provided, however, that for the purposes of this Agreement: <ol style="list-style-type: none"> <li>(i) the terms "holding company" and "subsidiary" shall have the meanings set forth in Section 2 of the Act and;</li> <li>(ii) in no event shall the Company be deemed an Affiliate of either the Government or the Strategic Partner;</li> </ol>

Article No.	Article Description
Article 1(bb)	"Controlling", "Controlled by" or "Control", with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management, business or policies or actions of such Person, whether through the ownership of voting securities, by contract or otherwise, or the power to elect or appoint at least 50% of the directors, managers, partners or other individuals exercising similar authority with respect to such Person(s);
Article 1(cc)	"Person" means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, Government Authority or trust or any other entity or organization;
Article 1(dd)	"Audited Financial Statement" shall mean the accounts of the Company as on 31 March 2001 prepared and audited by M/s. Khandelwal Jain & Co. and M/s. Kalyaniwala & Mistry and that have been made available to the Strategic Partner;
Article 1(ee)	"Principal(s)" means a Person or Person(s), other than the Government, who Control(s) a Shareholder (other than the Government) in relation to the Strategic Partner.
Article 1(gg)	"Shareholders' Agreement" means the agreement dated 13 <sup>th</sup> February 2002, entered into between the Government and the Strategic Partner, to record the manner in which the business of the Company is to be conducted as between the Government and the Strategic Partner.
Heading of Article 37	How far new shares to rank with share in original Capital
Article 37	Except so far as otherwise provided by the conditions of issue, or by these Articles, any Capital raised by the creation of new shares shall be considered part of the original Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting, surrender and otherwise. Such new shares shall rank pari passu with the existing Shares in all respects except for the purposes of dividend that shall be pro rated to the period for which such newly issued shares are in existence.
Article 38(c)	If any offer to subscribe for voting equity shares of the Company pursuant to Article 38(a) (such offer, the "Right") includes a right to renounce the Right in favour of any other Person, then, no Shareholder shall renounce such Right in favour of any other Person (other than an Affiliate of the renouncing Shareholder) without first giving the other Shareholder a reasonable opportunity to acquire such Right, either directly or through its nominees on the same terms and conditions that such Right is proposed to be renounced in favour of any other Person (other than an Affiliate of the renouncing Shareholder).
Article 45(3)	Notwithstanding the provisions of Article 45(2), at least one authorised representative each of the Government and the Strategic Partner, in case of a general meeting, shall be necessary to constitute quorum for any meeting in which a resolution for any of the matters specified in Article 69(2) is to be passed and a notice of not less than 21 (twenty one) days shall be given to the Government and the Strategic Partner for any such meeting.
Article 50(3)	In the event that no authorised representative of the same Shareholder, whose authorised representative was not present in the meeting referred to in Article 45(3), is present at the adjourned meeting referred to in Article 50(2) above, such meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such later day as may be notified to such Shareholder.
Article 50(4)	Notwithstanding anything to the contrary in Article 45(3) above, in the event that no authorised representative of the same Shareholder, whose authorised representative was not present in the meetings referred to in Articles 45(3) and 50(2), is present at the adjourned meeting referred to in Article 50(3), it shall be deemed that the presence of the authorised representatives of such Shareholder is not required for such meeting and the shareholders present at such adjourned general meeting shall be entitled to proceed with the items on the agenda in such manner as they deem fit even though such items may be relating to matters listed in Article 69(2).
Heading of Article 51	Right of President to appoint any person as his representative

Article No.	Article Description
Article 51	<p>(1) The President, so long as he is a shareholder of the Company, may, from time to time, appoint one or more persons (who need not be a member or members of the Company) to represent him at all or any meeting of the Company.</p> <p>(2) Any one of the persons appointed under sub clause (1) of this Article shall be deemed to be a member of the Company and shall be entitled to vote and be present in person and exercise the same rights and powers (including the right to vote by proxy) as the President could exercise as a member of the Company.</p> <p>(3) The President may, from time to time, cancel any appointment made under sub clause (1) of this Article and make fresh appointment.</p> <p>(4) The production at the meeting of an order of the President evidenced as provided in the Constitution, shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.</p>
Heading of Article 53	How questions be decided at meetings
Article 53	(1) Every question submitted to a meeting shall be decided in the first instance by a show of hands.
Article 65	<p>(2) As long as the Government holds atleast 10% of the voting equity share capital of the Company the composition of the Board shall be as under:</p> <p>(i) Four out of twelve directors shall be permanent or non-retiring directors, of which the Government and the Strategic Partner shall be entitled to appoint two directors each.</p> <p>(ii) The balance eight directors shall be liable to retire by rotation. Of the retiring directors, four directors shall be independent directors on the Board.</p> <p>(iii) Of the four independent directors the Strategic Partner and the Government shall be entitled to nominate and recommend names of two independent directors each.</p> <p>(iv) The composition of the balance four directors i.e. the retiring and non independent directors shall be as under:</p> <p>iv.i As long as the Strategic Partner together with its Affiliates holds 25% of the voting equity share capital of the Company, two directors shall be nominated each by the Government and the Strategic Partner.</p> <p>iv.ii As soon as the Strategic Partner acquires and holds more than 25% but less than 30% of the voting equity share capital of the Company, the Strategic Partner shall have the right to appoint three directors on the Board and the Government shall have the right to appoint one Director on the Board.</p> <p>iv.iii As soon as the Strategic Partner acquires and holds more than 30% of the voting equity share capital of the Company, the Strategic Partner shall have the right to appoint all the four directors.</p> <p>(3) Notwithstanding anything to the contrary herein (i) the Government shall have the right to appoint two non retiring Directors so long as the Government holds atleast 10% of the voting equity share capital of the Company. and (ii) the Government shall be entitled to appoint one non retiring director on the Board so long as the Government is a shareholder in the Company.</p> <p>(4) Notwithstanding the foregoing, at least three-fourths of the total number of directors on the Board shall, at all times, be Indian Nationals.</p>

Article No.	Article Description
	(5) For purposes of clarity and avoidance of doubt, the Government and the Strategic Partner agree that if additional independent directors are required to be appointed to the Board to comply with any Laws or regulation or to comply with the provisions of any listing agreement, then, by mutual agreement between the Government and the Strategic Partner, either the strength of the Board shall be increased to the extent required or the number of directors that each of the Government and the Strategic Partner shall be entitled to appoint shall be proportionately reduced.
Article 69(2)	<p>Notwithstanding any other provision of these Articles or otherwise permitted or provided under the Act, no obligation of the Company or any of its subsidiaries shall be entered into, no decision shall be made and no action shall be taken by or with respect to the Company or any of its subsidiaries in relation to the following matters unless such obligation, decision or action as the case may be, is approved, if at any meeting of the Company's shareholders, duly called for the purpose of considering such obligation, decision or action, by an affirmative vote of the one authorised representative of both the Government and the Strategic Partner, and if at the meeting of the Board by an affirmative vote of, at least one nominee director of each of the Government and the Strategic Partner:</p> <p>(i) Any change in the Memorandum of Association and Articles of Association;</p> <p>(ii) The granting of any security or the creation of any Encumbrance on the assets of the Company or the incurrence of any indebtedness or guaranteeing the debts of any Person which in the aggregate at any time exceeds the net worth of the Company;</p> <p>(iii) The taking of any steps to wind-up or terminate the corporate existence of the Company or any of its Affiliates or entering into any arrangement with the creditors of the Company in relation to all or substantial part of the assets of the Company;</p> <p>(iv) Any one or a series of transactions which causes a sale lease, exchange or disposition of land and building of the Company or its subsidiary which are acquired by the Company at any time prior to the Closing;</p> <p>(v) Subject to Article 69(2)(xv) hereunder, any sale, lease, exchange or disposition of any property, assets or equipments (other than land and building) of the Company or its subsidiary which are acquired by the Company at any time prior to the Closing;</p> <p>(vi) The making, directly or indirectly, of loans or advances in excess of ₹500 million to any Person other than in the ordinary course of business of the Company;</p> <p>(vii) The entering into of an amalgamation, merger or consolidation with any other company or body corporate;</p> <p>(viii) Any change in the number of directors of the Company from that provided in this Article;</p> <p>(xi) Transfer of any rights or interest in Affiliates of the Company including, without limitation, Transfer of Relevant Interests in securities of such Affiliates held by the Company;</p> <p>(xii) Any agreement, license or permission in respect of the use of the name and/or logo of the Company (except where such agreement, license or permission is for the purpose of, or in connection with, advertising or promotional activities only by the Company);</p> <p>(xiii) The delegation by the Board to any Person of the Board's authority to approve or authorize any matter described in this Article 69(2);</p> <p>(xiv) Change directly or indirectly in the use of land and building of the Company other than for the purposes of the main objects of the Company as defined in the Memorandum of Association of the Company;</p>

Article No.	Article Description
	(xv) Any one or a series of transactions, which causes a sale, lease, exchange or disposition of obsolete equipments or equipments not in use, of the Company or its subsidiary having an aggregate value exceeding 25% of the total value of the net fixed assets of the Company as specified in the Audited Financial Statement;
	(xvi) Any commitment or agreement to do any of the foregoing. Notwithstanding anything to the contrary contained in these Articles, in the event any of the aforesaid items of business mentioned in Article 69 (2) is not approved by the Board or Shareholders at a meeting or otherwise then such non-approved items shall not be implemented by the Company and the Parties shall not directly or indirectly take any steps to cause the Company to implement such items of business.
Article 75(2), Article 75(3) Article 75(4), Article 75(5)	(2) Notwithstanding anything to the contrary in Article 75(1) above, the presence of at least one nominee director each of the Government and the Strategic Partner, in case of a Board meeting, shall be necessary to constitute quorum for any meeting in which a resolution for any of the matters specified in Article 69(2) is to be passed and a notice of not less than 7 (seven) days shall be given to the Government and the Strategic Partner for any such meeting, unless the Government and the Strategic Partner agrees to a shorter notice in writing.
	(3) In the event that no nominee director of either the Government or the Strategic Partner is present at a meeting referred to in Article 75(2) above, such meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such later day as may be notified to the Government or the Strategic Partner as the case may be.
	(4) In the event that no nominee director of the same Shareholder, whose nominee director was not present in the meeting referred to in Article 75(2), is present at the adjourned meeting referred to in Article 75(3) above, such meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such later day as may be notified to such Shareholder.
	(5) Notwithstanding anything to the contrary in Article 75(2) above, in the event that no nominee director of the same Shareholder, whose nominee director was not present in the meetings referred to in Articles 75(2) and 75(3), is present at the adjourned meeting referred to in Article 75(4), it shall be deemed that the presence of the nominee director of such Shareholder is not required for such meeting and the directors present at such adjourned Board Meeting shall be entitled to proceed with the items on the agenda in such manner as they deem fit even though such items may be relating to matters listed in Article 69(2).
Article 120	The Company acknowledges that the Government and the Strategic Partner have entered into the Shareholders' Agreement, which is a binding voting and inter se shareholders' agreement between them or any transferees from them and any successors in interest. Salient terms of the Shareholders' Agreement are set out in appendix I* hereto to notify the shareholders of their covenants. The Company has undertaken that it shall not aid and/or abet any violation of the Shareholders' Agreement.
	*Appendix I containing salient features of Shareholders' Agreement is attached.
Appendix I	Extract of the Shareholders' Agreement dated 13 February 2002

## B. The following Articles be Replaced / Modified as follows:

Article No.	Article Description
Article 1(f)	"The Chairman" means the Chairman or the Chairperson of the Board of Directors for the time being of the Company.
Article 18	If a share certificate is worn out, defaced, lost, or destroyed, it may be renewed in accordance with the applicable rules under the Act on payment of fee as prescribed under the Act and on such terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence as the Board may think fit.
Article 20(2) (b)	Upon all or any of the moneys so advanced may, until the same would, but for such advance, become presently payable, pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, an amount as prescribed under the Act per annum as may be agreed upon between the Board and the member paying the sum in advance and the Board of Directors may, at any time, repay the amount so advanced upon giving to such members three months notice in writing. Moneys paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the Company.
Article 43	1) A general meeting of the Company may be called by giving not less than twenty one days notice in writing.  2) A general meeting may be called after giving shorter notice than that specified in clause (1) of this Article if consent is accorded as per relevant provisions of the Companies Act 2013 as amended from time to time.
Article 44	The ordinary business of an annual general meeting shall be: (i) consideration and approval of the financial statements, consolidated financial statements, if any, and the reports of the Board of Directors and Auditors; (ii) the declaration of any dividend; (iii) the appointment of Directors in the place of those retiring; and (iv) the appointment and fixing of remuneration of the Auditors. All other business transacted at such meeting and all business transacted at an extra ordinary meeting shall be deemed special.
Article 46	The first annual general meeting of the Company shall be held within eighteen months of its incorporation and thereafter, the annual general meeting shall be held within six months after the expiry of each financial year, except in the case when, for any special reason time for holding any annual general meeting (not being the first annual general meeting) is extended by the Registrar under Section 96 of the Act, no greater interval than fifteen months shall be allowed to elapse between the date of one annual general meeting and that of the next. Every annual general meeting shall be held during business hours on a day other than a national holiday either at the registered office of the company or at some other place as the Board may decide, and the notice calling the meeting shall specify it as the annual general meeting. All other meetings of the Company shall be called "Extraordinary General Meeting".
Article 50(2)	If within half an hour from the time appointed for the meeting a quorum is not present, such meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such later day as may be notified by the Company.
Heading of Article 53	Voting at General Meeting
Article 53	At any general meeting a resolution put to vote of the meeting shall be in accordance with the provisions of the Companies Act and other applicable regulations.  If a poll is duly demanded, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn anytime before the declaration of the results.
Article 54	Every member present in person or by proxy, or by duly authorised representative and upon a poll shall have one vote for every share held by him.



Article No.	Article Description
Article 57	A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction, in lunacy, may vote, by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy.
Article 59	A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting. No member shall appoint more than one proxy to attend on the same occasion. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
Article 65	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the Board shall comprise of a minimum of three and a maximum of fifteen Directors.  The Directors are not required to hold any qualification shares. The Board shall also have such number of independent directors as required under the Act or under the applicable regulations of the Securities and Exchange Board of India.
Article 66B	Subject to the provisions of Section 161 of the Act, the Board shall have power at any time and from time to time, appoint any other qualified person(s) to be an Additional Director(s). Any such additional Director (s) shall hold office only upto the date of the next Annual General Meeting.
Heading of Article 66G	Managing Director
Article 66G	The Managing Director shall not, while he continues to hold that office be subject to retirement by rotation in accordance with Article 65 D. If he otherwise, ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director.
Article 66H (a)	A person other than a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the Meeting, left at the Registered Office, a notice in writing under his hand, signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office, as the case may be, as may be prescribed by the Act.
Article 68	(1) Subject to the provisions of the Act, the Board may, from time to time, delegate such of its powers as it may think fit to the Chairman, and/or Managing Director(s), subject to such terms, conditions and restrictions as it may deem necessary to impose and may, from time to time, revoke, amend or vary all or any of the powers so delegated.  (2) The Chairman, and/or Managing Director(s) may sub-delegate any of the powers delegated to him by the Board to any officer or other employees of the Company, subject to condition that every such sub-delegation of his powers will be reported to the Board.
Heading of Article 69	Powers of Chairman.
Article 69	The property, business and affairs of the Company shall be managed exclusively by and be under the direction of the Board. The Board may exercise all such powers of the Company and have such authority and do all such lawful acts and things as are permitted by applicable Law and the Memorandum of Association and Articles of Association. All decisions, actions and resolutions of the Board shall be adopted by the affirmative vote of a simple majority of the members of Board. In case of an equality of votes, the Chairperson shall have a second or casting vote.

Article No.	Article Description
Article 70	Without prejudice to the general powers conferred by Article 67 and the other powers conferred by these Articles, but subject to the provisions of Sections 179 to 183, of the Act, the Board of Directors shall have the following powers, that is to say power:
Article 73	A Director may at any time convene a meeting of the Board Directors. Questions arising at any meeting shall be decided by majority of votes.
Article 74(2)	Every officer of the company, whose duty is to give notice as aforesaid and who fails to do so shall be punishable with a fine as prescribed under the Act.
Article 78	The Board may, subject to the relevant provisions of the Act, delegate any of their powers to Committees consisting of such number of their body as they think fit, and may, from time to time, revoke such delegation. Any committee so formed, shall in the exercise of the power so delegated, conform to any regulation that may, from time to time, be imposed upon it by the Board of Directors. The proceedings of such a Committee shall be placed before the Board of Directors at its next meeting.
Article 79	The Chairman for any Committee of Directors shall be appointed by the Board. A Committee of Directors may elect a Chairman of their meetings, if no such Chairman is appointed by the Board or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.
Article 81	Subject to the provisions of Section 179 of the Act, and such other provisions of the Act as may be applicable, resolutions of the Board can be passed by circulation and they shall be as valid and effectual as if they have been passed at a meeting of the Board of Directors duly called and constituted. No resolution shall, however, be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members at their usual address in India, or through electronic means, and has been approved by a majority of Directors, as are entitled to vote on the resolution.

“RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) be and is hereby authorized to modify and renumber the remaining Articles and sub-clauses thereof including the relevant footnotes and endnotes thereto and to make such other grammatical edits as it may consider appropriate and necessary to the Articles of Association of the Company, such that the structure and intent of any Article is not modified.”

“RESOLVED FURTHER that the Board be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts,

deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution(s).”

By Order of the Board of Directors

**Zubin Patel**

Company Secretary  
ACS-30277  
Mumbai, May 28, 2021

**Registered Office:**

VSF, Mahatma Gandhi Road,  
Fort, Mumbai - 400 001.  
CIN: L64200MH1986PLC039266  
Email address: investor.relations@tatacommunications.com  
Website: www.tatacommunications.com

**NOTES:**

1. In view of the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" read with General Circular No. 14/ 2020 dated April 8, 2020 , the General Circular No. 17/ 2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19" and General Circular No.02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular dated January 15, 2021 ('SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM' or 'Meeting') through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Wednesday, June 30, 2021 at 11:00 hours (IST). The deemed venue for the 35<sup>th</sup> AGM will be Tata Communications Limited, VSB, Mahatma Gandhi Road, Fort, Mumbai - 400 001.

**2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

3. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members and Institutional Investors intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at [cs@parikhassociates.com](mailto:cs@parikhassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing under Item Nos. 6 to 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
6. The Explanatory Statement setting out material facts concerning the business under Item Nos. 5 to 8 of the Notice is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed. Requisite declarations have been received from the Director for seeking reappointment.
7. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited's ('NSDL') e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.
8. In line with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.tatacommunications.com](http://www.tatacommunications.com); websites of the Stock

Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively; and on the website of NSDL at <https://www.evoting.nsdl.com>.

**9. Book Closure and Dividend:**

The Company has fixed Friday, June 18, 2021 as the 'Record Date' for determining entitlement of Member to final dividend for the financial year ended March 31, 2021, if approved at the AGM. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, June 19, 2021 to Wednesday, June 30, 2021, both days inclusive. The dividend of ₹14 per equity share of ₹10 each (140%), if declared at the AGM, will be paid subject to deduction of tax at source ('TDS') on or after Wednesday, June 30, 2021 as under:

- a. to all Beneficial Owners in respect of shares held in electronic form as per the data as made available by the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as of the close of business hours on Friday, June 18, 2021 and
  - b. to all Members in respect of shares held in physical form whose names appear on the Company's Register of Members after giving effect to all valid transmission or transposition requests lodged with the Company or the Registrar and Transfer Agent ('R&T Agent') as of the close of business hours on Friday, June 18, 2021.
10. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company / the Company's Registrar and Share Transfer Agent by sending documents through email as mentioned in the 'Communication on Tax on Dividend' separately sent by the Company to the Members. The detailed process is also available on the Company's website at <https://www.tatacommunications.com/investors/results/>.
11. Further, in order to receive the dividend in a timely manner, Members holding shares in physical form

who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to send a scanned copy of the following details/documents at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) latest by Friday, June 18, 2021:

- a. A signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
  - i. Name and Branch of Bank and Bank Account type;
  - ii. Bank Account Number and Type allotted by your bank after implementation of Core Banking Solutions;
  - iii. 11 digit IFSC Code;
- b. Self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. Self-attested scanned copy of the PAN Card; and
- d. Self-attested scanned copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

12. For the Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall, by July 20, 2021, dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members, subject to normalisation of postal services and other activities.

13. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Share Transfer Agent, TSR Darashaw Consultants Private Limited ('Registrar' or 'TCPL') at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) for assistance in this regard.
14. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report.
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to TCPL at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) in case the shares are held in physical form, quoting their folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by

submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. The said forms can be downloaded from the website of TCPL at [www.tcplindia.co.in](http://www.tcplindia.co.in). Members are requested to submit the said form to their DP in case the shares are held in electronic form and to TCPL at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) in case the shares are held in physical form, quoting their folio no.

17. The format of the Register of Members prescribed by MCA under the Act requires the Company/Registrar and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is available on the Company's website under the section 'Investor Relations'. Members holding shares in physical form are requested to submit the filled in form to the Company at [investor.relations@tatacommunications.com](mailto:investor.relations@tatacommunications.com) or to TCPL in physical mode, after restoring normalcy or in electronic mode at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in), as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or TCPL.
18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or TCPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
19. During the AGM, Members may request the Company Secretary for access to the electronic copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act.
20. Members seeking any information with regard to the financial statements or any other matter to be placed at the AGM or who wish to inspect the relevant documents referred to in this Notice, are requested to write to the Company on or before June 23, 2021 through email on [investor.relations@tatacommunications.com](mailto:investor.relations@tatacommunications.com) mentioning their DP ID and Client ID/Physical Folio Number. The same will be replied to by the Company suitably.

21. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
22. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TCPL in case the shares are held by them in physical form.

**23. Process for registering email addresses to receive this Notice of AGM and Annual Report electronically and cast votes electronically:**

- (i) **Registration of email addresses with TCPL:** The Company has made special arrangements with TCPL for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/ DPs are required to provide the same to TCPL on or before 5:00 p.m. IST on Saturday, June 12, 2021.

Process to be followed for registration of e-mail address is as follows:

- Visit the link [https://tcpl.linkintime.co.in/EmailReg/Email\\_Register.html](https://tcpl.linkintime.co.in/EmailReg/Email_Register.html)
- Select the company name viz. Tata Communications Limited.  
Enter the DP ID and Client ID / Physical Folio Number, Name of Member and PAN details. Members holding shares in physical form need to additionally enter one of the share certificate numbers.
- Enter mobile number and email address and click on Continue button.
- The system will send an OTP on your mobile number and email address.

- Upload:
  - Self-attested copy of PAN card and
  - Address proof viz. Aadhar Card, passport or front and back side of share certificate in case of Physical folio.
- Enter the OTP received on your mobile number and email address.
- The system will then confirm the email address for receiving this AGM Notice.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for FY 2020-21 along with the e-voting User ID and password. In case of any queries, Members may write to [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- (ii) **Registration of e-mail address permanently with Company/DP:** Members are requested to register the same with their concerned DPs, in respect of electronic holding and with TCPL, in respect of physical holding, by writing to them at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in). Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs / TCPL to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.

- (iii) Alternatively, those Members who have not registered their email addresses are required to send an email request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) along with the following documents for procuring user id and password and registration of email addresses for e-Voting for the resolutions set out in this Notice:

- In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.
- In case shares are held in demat mode, please provide DPID-Client ID (8 digit DPID + 8 digit Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.

24. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.
25. The remote e-Voting period commences on Saturday, June 26, 2021 (9:00 a.m. IST) and ends on Tuesday, June 29, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in electronic form as on Wednesday, June 23, 2021 i.e. cut-off date, may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast vote again. Those Members, who will be attending the AGM through VC / OAVM and have not cast their vote through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting system during the AGM. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date.
26. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the member has already cast the vote through remote e-Voting.
27. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as e-voting during the AGM. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if the Member is already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, the steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system" may be followed.
28. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-voting facility. The e-voting module shall be disabled by NSDL for voting 15 minutes after the conclusion of the AGM.
29. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by the Chairperson in writing, who shall countersign the same.
30. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.tatacommunications.com](http://www.tatacommunications.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after declaration. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
31. Instructions for attending the AGM through VC / OAVM and remote e-Voting (before and during the AGM) are given below.
- A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM**
- i. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access

by following the steps mentioned hereinbelow for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join General Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- ii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iii. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 35<sup>th</sup> AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address at [investor.relations@tatacommunications.com](mailto:investor.relations@tatacommunications.com) before 5:00 p.m. (IST) on Wednesday, June 23, 2021. Queries that remain unanswered will be appropriately responded by the Company.
- iv. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN and mobile number at [investor.relations@tatacommunications.com](mailto:investor.relations@tatacommunications.com) between Monday, June

21, 2021 (9:00 a.m. IST) and Friday, June 25, 2021 (5:00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Members who need assistance before or during the AGM may contact Ms. Sarita Mote or Mr. Sagar Ghosalkar at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on the toll free numbers 1800 1020 990 / 1800 224 430.

## B. INSTRUCTIONS FOR E-VOTING BEFORE / DURING THE AGM

The Board of Directors has appointed Mr. P.N. Parikh (Membership No. FCS 327) or failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331) or failing him Ms. Sarvari Shah (Membership No. FCS 9679) of M/s. Parikh & Associates, Practising Company Secretaries, as the Scrutinizer to scrutinize the voting during the AGM and remote e-Voting process in a fair and transparent manner.

### • INSTRUCTIONS FOR REMOTE E-VOTING BEFORE THE AGM ARE AS UNDER:

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

#### Step 2 : Cast your vote electronically and join AGM on NSDL e-Voting system.

#### Details on Step 1 are mentioned below:

#### Access to NSDL e-Voting website

#### A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI Circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>a. Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile device. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. This will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value Added Services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p> <p>b. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>c. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p> <p>d. Shareholders/Members can also download the NSDL Mobile App “NSDL Speede” for seamless voting experience.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile and email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon ‘Login’ which is available under ‘Shareholder / Member’ section.
- A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-*

*in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

- Your User ID details are given below:

**Manner of holding Your User ID is: shares i.e. Demat (NSDL or CDSL) or Physical**

i) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
--	--

**Manner of holding Your User ID is: shares i.e. Demat (NSDL or CDSL) or Physical**

ii) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
iii) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if Folio Number is 001*** and EVEN is 123456 then user ID is 123456001***

v. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?

If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

vi. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

- Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

vii. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

viii. Now, you will have to click on 'Login' button.

ix. After you click on the 'Login' button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join AGM on NSDL e-Voting system.**

**How to cast your vote electronically and join AGM on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

iii. Now you are ready for e-Voting as the Voting page opens.

iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

v. Upon confirmation, the message 'Vote cast successfully' will be displayed.

vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**• INSTRUCTIONS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

i. The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC / OAVM.

ii. Only those Members/ Shareholders, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

iii. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

iv. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**General Guidelines for Members**

i. Institutional/ Corporate Shareholders (i.e. other than individuals, HUF, NRIs, etc.) are

required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs@parikhassociates.com](mailto:cs@parikhassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

iii. In case of any queries /grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available in the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the toll-free numbers 1800 1020 990 / 1800 22 44 30 or send a request to Ms. Sarita Mote or Mr. Sagar Ghosalkar at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

By Order of the Board of Directors

**Zubin Patel**

Company Secretary  
ACS-30277  
Mumbai, May 28, 2021

**Registered Office:**

VSF, Mahatma Gandhi Road,  
Fort, Mumbai - 400 001.  
CIN: L64200MH1986PLC039266  
Email address: [investor.relations@tatacommunications.com](mailto:investor.relations@tatacommunications.com)  
Website: [www.tatacommunications.com](http://www.tatacommunications.com)

## Explanatory Statement

The following Explanatory Statement sets out material facts relating to business mentioned under Item Nos. 5 to 8 of the accompanying Notice.

### In respect of Item No. 5

This statement is provided though strictly not required as per Section 102 of the Companies Act, 2013 ('Act').

At the 31<sup>st</sup> Annual General Meeting of the Company held on June 27, 2017, the Members had appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W / E300004) as the statutory auditors of the Company to hold office from the conclusion of the 31<sup>st</sup> Annual General Meeting till the conclusion of the 36<sup>th</sup> Annual General Meeting to be held in the year 2022, subject to ratification by Members at every AGM.

In view of the above, and M/s. S.R. Batliboi & Associates LLP, being eligible for re-appointment, it is proposed that the Members may ratify the appointment of M/s. S.R. Batliboi & Associates LLP as Statutory Auditors from the conclusion of this AGM till the conclusion of the next AGM.

The Board recommends the Resolution at Item No. 5 for approval by the Members.

None of the Directors and Key Managerial Personnel (KMP) or relatives of directors and KMPs are concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

### In respect of Item No. 6

The Company is required under the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records conducted by a Cost Accountant. Further, in accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Ms. Ketki D. Visariya, Cost Accountant, as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022. Accordingly, under the authority from the Board of Directors, the remuneration of the Cost Auditor

was fixed at ₹6 lakhs plus applicable taxes and out of pocket expenses on actual basis capped at 3% of the remuneration.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 6 of the accompanying Notice for ratification of the remuneration amounting to ₹6 lakhs plus applicable taxes and out of pocket expenses on actual basis capped at 3% of the remuneration, payable to the Cost Auditor for the financial year ending March 31, 2022.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel (KMP) or relatives of directors and KMPs are concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

### In respect of Item No. 7

The Memorandum of Association ('MoA') of the Company was framed in 1986, when Tata Communications Limited was incorporated under the name of Videsh Sanchar Nigam Limited for the main object of taking over the entire management, control, operations and maintenance of the Overseas Communications Service ('OCS') of the Department of Telecommunications, Ministry of Communications. Since then, Tata Communications Limited has evolved into a global Digital Ecosystem Enabler providing a gamut of network and connectivity services and a host of digital experiences to enable digital transformation of enterprises globally. Accordingly, sub-clause 1 of the Objects Clause enshrined in the MoA of Tata Communications Limited relating to take over of management, control and operations of OCS has become redundant. Hence, it is proposed to amend the Objects Clause of the MoA by deleting sub-clause 1 and re-numbering the remaining sub-clauses of the Objects Clause.

Approval of the Members is sought in terms of Sections 4, 13 and other applicable provisions, if any, of the Act, to alter the Objects Clause of the Memorandum of Association of the Company.

Members may request the Company Secretary for access to the copy of the amended Memorandum of Association of the Company by sending an email to [investor.relations@tatacommunications.com](mailto:investor.relations@tatacommunications.com).

The Board of Directors of the Company is of the opinion that Item No. 7 of the accompanying Notice is in the best interest of the Company and its Members and hence, recommends the Resolution at Item No. 7 of the accompanying Notice for approval of Members of the Company as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Special Resolution as set out at Item No. 7 of this Notice.

### In respect of Item No. 8

In 2002, the Government of India ('GoI') had conducted a disinvestment exercise in respect of 25% of its shareholding in the Company. Panatone Finvest Limited ('Panatone'), current promoter of the Company, had emerged as the successful bidder in the disinvestment process. Consequently, a share purchase agreement ('SPA') dated February 6, 2002 was executed between GoI and amongst others, Panatone and the Company for sale of equity shares of the Company to Panatone. A Shareholders' Agreement ('SHA') dated February 13, 2002 was also executed between GoI and amongst others, Panatone, setting out the rights and responsibilities of the promoter shareholders of the Company. The terms and conditions of the SHA have since been enshrined in the Articles of Association ('AoA') of the Company.

The GoI, vide Offer for Sale ('OFS') dated March 15, 2021, initiate divestment of its shareholding in the Company, offering 16.12% shares for subscription by the general public which were acquired by the general public on March 16 and March 17, 2021. Subsequently, on March 18, 2021, Panatone acquired the remaining 10% of the shares held by the GoI and an amendment to the Shareholders' Agreement dated March 12, 2021 has been executed between GoI, Panatone, Tata Sons Private Limited and the Company. Thus, with effect from March 18, 2021, GoI no longer holds any shares in the Company. Accordingly, it is proposed to amend relevant clauses of the AoA

of the Company to *inter alia* delete references and provisions enshrined therein pertaining to the old SHA dated February 13, 2002 entered into between GoI and amongst others, Panatone and re-number the existing articles as may be required and to align the AoA with the provisions of the Companies Act, 2013.

Approval of the Members is sought in terms of Sections 5, 14 and other applicable provisions, if any, of the Act, to alter the Articles of Association of the Company.

Members may request the Company Secretary for access to the copy of the amended Articles of Association of the Company by sending an email to [investor.relations@tatacommunications.com](mailto:investor.relations@tatacommunications.com).

The Board of Directors of the Company is of the opinion that Resolution in Item No. 8 of the accompanying Notice is in the best interest of the Company and its Members and hence, recommends the Resolution at Item No. 8 of the Notice for approval of Members of the Company as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Special Resolution as set out at Item No. 8 of this Notice.

By Order of the Board of Directors

#### Zubin Patel

Company Secretary  
ACS-30277  
Mumbai, May 28, 2021

#### Registered Office:

VSB, Mahatma Gandhi Road,  
Fort, Mumbai - 400 001.  
CIN: L64200MH1986PLC039266  
Email address: [investor.relations@tatacommunications.com](mailto:investor.relations@tatacommunications.com)  
Website: [www.tatacommunications.com](http://www.tatacommunications.com)

### Details of Director Seeking Reappointment at the 35<sup>th</sup> Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 – Secretarial Standards on General Meetings]

Particulars	Mr. Srinath Narasimhan
Designation	Non-executive, Non-Independent Director
Date of Birth	July 8, 1962
Age	59
DIN	00058133
Date of Appointment	February 13, 2002
Qualifications	Degrees in Mechanical Engineering and Management
Expertise / experience in specific functional area	Marketing and Systems
Directorships held in other companies (excluding foreign companies)	<ul style="list-style-type: none"> <li>Tata Teleservices (Maharashtra) Limited</li> <li>Tata Teleservices Limited</li> <li>Tata Industries Limited</li> <li>Alamelu Charitable Foundation</li> <li>Assam Cancer Care Foundation</li> </ul>
Memberships/ Chairmanships of committees in other companies	<p><b>Tata Industries Limited</b></p> <ul style="list-style-type: none"> <li>Approvals Committee</li> </ul> <p><b>Tata Teleservices (Maharashtra) Limited</b></p> <ul style="list-style-type: none"> <li>Stakeholders' Relationship Committee</li> <li>Corporate Social Responsibility Committee</li> <li>Finance Committee</li> <li>Nomination and Remuneration Committee</li> </ul> <p><b>Tata Teleservices Limited</b></p> <ul style="list-style-type: none"> <li>Nomination and Remuneration Committee</li> <li>Corporate Social Responsibility Committee</li> </ul>
Shareholding in Tata Communications Limited	Nil

#### Note:

Other details such as number of meetings of the board attended during the year, remuneration drawn and sought to be paid, terms and conditions of reappointment and relationship with other directors and key managerial personnel are provided in the Corporate Governance Report.

## BOARD'S REPORT

To the Members,

The Directors present the 35<sup>th</sup> Annual Report of Tata Communications Limited (the 'Company') along with the audited financial statements for the financial year ended March 31, 2021. The Company along with its subsidiaries wherever required is referred as 'we', 'us', 'our', or 'Tata Communications'. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### PERFORMANCE

The table below sets forth the key financial parameters of the Company's performance during the year under review:

(₹ in crores)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Income from operations	6,225.32	5,750.33	17,100.10	17,067.99
Other income	274.56	180.27	156.76	69.68
<b>Total Income</b>	<b>6,499.88</b>	<b>5,930.60</b>	<b>17,256.86</b>	<b>17,137.67</b>
<b>Expenses</b>				
Network and transmission expenses	1,920.74	1,842.35	6,333.27	6,777.56
Employee benefits expenses	1,104.61	998.83	3,049.09	3,039.14
Operating Expenditure	1,216.43	1,337.09	3,457.16	3,962.34
Depreciation and amortization expenses	972.89	977.44	2,313.87	2,357.72
<b>Total expenses</b>	<b>5,214.67</b>	<b>5,155.71</b>	<b>15,153.39</b>	<b>16,136.76</b>
<b>Profit from ordinary activities before finance cost, exceptional items and tax</b>	<b>1,285.21</b>	<b>774.89</b>	<b>2,103.47</b>	<b>1,000.91</b>
Finance Cost	106.73	55.19	420.20	470.74
<b>Profit from ordinary activities before exceptional items and tax</b>	<b>1,178.48</b>	<b>719.70</b>	<b>1,683.27</b>	<b>530.17</b>
Exceptional items	50.82	(346.15)	(74.72)	(390.51)
<b>Profit before tax (PBT)</b>	<b>1,229.30</b>	<b>373.55</b>	<b>1,608.55</b>	<b>139.66</b>
Tax expense/(benefit)				
Current tax	286.92	238.48	406.49	334.18
Deferred tax	(20.28)	(73.71)	(51.60)	(107.51)
<b>Profit / (Loss) before share in profit/(loss) of associates</b>	<b>962.66</b>	<b>208.78</b>	<b>1,253.66</b>	<b>(87.01)</b>
<b>Share in profit/(loss) of associates</b>			<b>(2.14)</b>	<b>2.18</b>
<b>Profit/(Loss) for the period</b>			<b>1,251.52</b>	<b>(84.83)</b>
<b>Attributable to:</b>				
Shareholders of the Company			1,250.63	(85.96)
Non-Controlling Interest			0.89	1.13

#### COVID-19

The Novel Coronavirus ('COVID-19') pandemic has continued to cause substantial disturbance globally and in India, resulting in considerable slowdown of economic activity. Tata Communications has been closely monitoring the COVID-19 situation, and our response to COVID-19 is a showcase of our business agility, keeping our employees safe and our customers' businesses and their employees connected and mobile.

We have been in constant communication with our customers and partners to address their concerns and to support them in navigating any connectivity, security and collaboration challenges that they face.

We deployed a taskforce which is overseen by our Global Management Committee led by our CEO to continuously assess and monitor the COVID-19 situation. Our Business Continuity Plan covers all functions and with effective backup and resiliency. Additionally, our Global



Emergency Response team continues to interact with national governments and health authorities to ensure best practice in health and safety while maintaining business continuity.

To ensure business continuity for us and our customers, keeping in mind the safety of our employees, we:

- continued work from home for all employees globally, with the exception of some essential roles that need to be conducted from an office or on location for critical network maintenance, for which all necessary arrangements were made to ensure their safety and protection.
- continued to prioritise virtual meetings and events, even while global businesses gradually opened.

The physical safety and mental well-being of our employees has been our top priority and we implemented several precautionary measures and initiatives to provide the necessary support to our employees during these testing times. We developed safety guidelines to address employee and customer queries; risk assessment checklists for teams working and visiting customer locations for meetings, issued COVID-19 advisories to essential employees and framed an overall safety Standard Operating Procedure to ensure business continuity while ensuring protection of our employees. We implemented several initiatives to promote the emotional well-being of our employees including several virtual sessions on managing anxiety and building emotional resilience; fitness sessions and enablement applications, employee assistance, counselling etc.

Partnering with several Non-Governmental Organisations ('NGOs') and Trusts, Tata Communications extended efforts to provide immediate relief to communities in distress by leveraging our core business competencies in the form of digital infrastructure support while also undertaking hunger and healthcare relief initiatives.

The situation continues to evolve at pace and as governments around the world implement measures to contain this public health crisis while finding safe ways of getting back to business, we remain fully committed to monitoring the situation; evaluating our preparedness and changing our plans, where needed.

#### Dividend

The Board recommends a dividend of ₹14.00 per fully paid Equity Share on 285,000,000 Equity Shares of face value of ₹10/- each, for the financial year ended March 31, 2021. The Board has recommended dividend based on the parameters laid down in the Dividend Distribution Policy.

The dividend on Equity Shares is subject to the approval of the Shareholders at the Annual General Meeting ('AGM') scheduled to be held on Wednesday, June 30, 2021.

The dividend, once approved by the Shareholders, will be paid, subject to deduction of tax at source, on or before Wednesday, July 7, 2021. If approved, the dividend would result in a cash outflow of ₹399 crores. The dividend on Equity Shares is 140% of the paid-up value of each share. The total dividend pay-out works out to 41.45% of the net profit for the standalone financial statements.

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, June 19, 2021 to Wednesday, June 30, 2021 (both days inclusive) for the purpose of payment of the dividend for the Financial Year ended March 31, 2021.

#### Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit for Financial Year 2020-21 in the statement of profit and loss.

#### Company's Performance

On a standalone basis, the revenue for FY 2020-21 was ₹6,225.32 crores, higher by 8.26% over the previous year's revenue of ₹5,750.33 crores. The profit after tax ('PAT') attributable to shareholders for FY 2020-21 was ₹962.66 crores registering a growth of 361.09% over the profit (after tax) of ₹208.78 crores for FY 2019-20. The growth in the standalone profits is reflective of higher revenues during FY 2020-21 and higher exceptional items during FY 2019-20.

On a consolidated basis, the revenue for FY 2020-21 was ₹17,100.10 crores, higher by 0.19% over the previous year's revenue of ₹17,067.99 crores. The PAT attributable to shareholders and non-controlling interests for FY 2020-21 was ₹1,251.52 crores as compared to negative ₹84.83 crores for FY 2019-20. The growth in the consolidated profits is on account of lower expenses during FY 2020-21 and higher exceptional items during FY 2019-20.

#### Subsidiary companies

As on March 31, 2021, the Company had 57 subsidiaries and three associate companies. There has been no material change in the nature of business of the subsidiaries.

On December 23, 2020, Tata Communications International Pte. Ltd. ('TCIPL'), a wholly-owned subsidiary of the Company acquired majority equity stake of 58.1% in Oasis Smart SIM Europe SAS ('Oasis'), thus becoming the majority shareholder of Oasis and its subsidiary Oasis Smart E-Sim

Pte. Ltd. ('OSEPL'). As a result, Oasis and OSEPL became subsidiaries of TCIPL and indirect subsidiaries of the Company.

The application for voluntary strike-off filed by Tata Communications MOVE Singapore Pte. Ltd. (earlier known as Teleena Singapore Pte. Ltd.), a wholly-owned subsidiary of TCIPL and indirect subsidiary of the Company was approved by the Accounting and Corporate Regulatory Authority, Singapore on January 4, 2021.

A report on the financial position of each of the subsidiaries and joint ventures as per the Companies Act, 2013 ('Act') is provided in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the standalone and consolidated financial statements of the Company, along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at [www.tatacommunications.com/investors/results](http://www.tatacommunications.com/investors/results).

#### Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, cost and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2020-21.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that for the year ended March 31, 2021:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### Directors and Key Managerial Personnel

There has been no change in the Board of Directors during the financial year.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). There has been no change in the circumstances affecting their status as independent directors of the Company.

None of the Company's directors are disqualified from being appointed as a director as specified in Section 164 of the Act. For details about the directors, please refer to the Corporate Governance Report. In accordance with provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Srinath Narasimhan, retires by rotation at the ensuing AGM and being eligible, has offered himself for reappointment.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, reimbursement of expenses incurred by them for the purpose of attending meetings of the Board and its Committees and any other transactions as approved by the Audit Committee or the Board which are disclosed under the Notes to Accounts.

During the year under review, Mr. Manish Sansi tendered his resignation as the Company Secretary of the Company with effect from the close of business hours on October 17, 2020 and Ms. Pratibha K. Advani resigned as the Chief Financial Officer of the Company with effect from October 20, 2020. The Board places on record its appreciation for their invaluable contribution.

Mr. Kabir Ahmed Shakir was appointed as Chief Financial Officer of the Company with effect from October 21, 2020 and Mr. Zubin Patel was appointed as Company Secretary with effect from March 24, 2021.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are Mr. Amur S. Lakshminarayanan - Managing Director and Chief Executive Officer; Mr. Kabir Ahmed Shakir - Chief Financial Officer and Mr. Zubin Patel - Company Secretary.

#### Number of Meetings of the Board

Ten Board meetings were held during the FY 2020-21. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

#### Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board and individual directors was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors and the Board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the Board Meeting that followed the meeting of the independent directors and meeting of Nomination

and Remuneration Committee, the performance of the Board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent directors being evaluated.

#### Policy on Directors' Appointment and Remuneration and other Details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act, has been disclosed in the Corporate Governance Report, which is a part of this report and is available on [www.tatacommunications.com/investors/governance/](http://www.tatacommunications.com/investors/governance/).

#### Internal Financial Control Systems and their Adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

#### Audit Committee

The details including the composition of the Audit Committee, terms of reference, attendance etc. are included in the Corporate Governance Report, which is a part of this report.

#### Auditors

At the 31<sup>st</sup> AGM held on June 27, 2017 the Members approved appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W / E300004) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 36<sup>th</sup> AGM, subject to ratification of their appointment by Members at every AGM. Although the requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018, a resolution proposing ratification of appointment of statutory auditors at the ensuing AGM has been included in the Notice for this AGM.

#### Auditor's Report and Secretarial Audit Report

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report.

#### Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is

required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and accordingly it has made and maintained such cost accounts and records. The Board on the recommendation of the Audit Committee has appointed Ms. Ketki D. Visariya, Cost Accountant (Firm Registration No. 102266) as the Cost Auditor of the Company for FY 2021-22 under Section 148 and all other applicable provisions of the Act. Ms. Visariya has confirmed that she is free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3) (g) of the Act. She has further confirmed her independent status and an arm's length relationship with the Company.

The remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution for seeking Members' ratification for the remuneration payable to Ms. Visariya is included at Item No. 6 of the Notice convening the AGM.

#### Risk Management

The Board of Directors of the Company has formed a Risk Management Committee for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

#### Particulars of Loans, Guarantees or Investments under Section 186

Your Company falls within the scope of the definition "infrastructure company" as provided by the Companies Act, 2013 ('Act'). Accordingly, the Company is exempt from the provisions of Section 186 of the Act with regards to Loans, Guarantees and Investments.

#### Related Party Transactions

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be

accessed on the Company's website at <https://www.tatacommunications.com/investors/governance/>.

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. There have been no materially significant related party transactions between the Company and the directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, along with the justification for entering into such a contract or arrangement in Form AOC-2, does not form part of the Directors' Report.

#### Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility ('CSR') policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure I of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 including any statutory modifications/amendments thereto for the time being in force. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR Policy is also available on the Company's website at <https://www.tatacommunications.com/investors/governance/>.

#### Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, including any statutory modifications/amendments thereto for the time being in force, the annual return for FY 2020-21 is available on <https://www.tatacommunications.com/investors/results/>.

#### Particulars of Employees

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary for the financial year 2020-21:

Non-Executive Directors	Ratio to median remuneration *	% increase in remuneration in the financial year
<b>Non-Executive Directors</b>		
Ms. Renuka Ramnath	7.80	22.50
Mr. Srinath Narasimhan	4.48	82.22
Dr. Uday B. Desai	6.16	31.55
Dr. Rajesh Sharma <sup>1</sup>	-	-
Dr. Maruthi Prasad Tangirala <sup>1</sup>	-	-
<b>Executive Directors</b>		
Mr. Amur S. Lakshminarayanan	46.48	NA
<b>Chief Financial Officer</b>		
Ms. Pratibha K. Advani <sup>2</sup>	NA	NA
Mr. Kabir Ahmed Shakir <sup>2</sup>	NA	NA
<b>Company Secretary</b>		
Mr. Manish Sansi <sup>2</sup>	NA	NA
Mr. Zubin Patel <sup>2</sup>	NA	NA

\* While calculating the ratio for non-executive directors, both commission and sitting fees paid have been taken.

- The Government directors have informed the Company that they shall not accept any sitting fees and commission as their directorships are considered to be part of their official duty.
- Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence, not stated.

- b. The percentage increase in the median remuneration of employees in the financial year:

(1.3)%

- c. The number of permanent employees on the rolls of Company:

5,999 employees as on March 31, 2021

- d. Average percentile increase already made in the salaries of employees, other than the managerial personnel in the last financial year, and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

During the course of the year, the total average increase was approximately 6.4% for employees based in India, after accounting for promotions and other event-based compensation revisions. The increase in the managerial remuneration for the year was 5.9%.

- e. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

- f. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection. Any Member interested in obtaining a copy of the same may write to the Company Secretary at investor.relations@tatacommunications.com.

#### Disclosure Requirements

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis are attached, which forms part of this report.

As per Regulation 34 of the SEBI Listing Regulations, a Business Responsibility Report is attached and is a part of this Annual Report.

As per Regulation 43A of the SEBI Listing Regulations, the Dividend Distribution Policy is disclosed in the Corporate Governance Report and is uploaded on the Company's website at <https://www.tatacommunications.com/investors/governance/>.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

#### Deposits from the Public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

#### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company being in the telecommunications business, there is no material information on technology absorption to be furnished. The Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations.

#### Foreign exchange earnings and outgoings

For the purpose of Form 'C' under the Companies (Accounts) Rules 2014, foreign exchange earnings were equivalent to ₹636.82 crores and foreign exchange outgo was equivalent to ₹830.58 crores.

#### Human resources

Tata Communications offers a dynamic work environment where its employees benefit from working with other innovators from around the globe, driving meaningful change together, both for its customers and Tata Communications. We have a multicultural workforce representing more than 50 nationalities, of which women constitute 22%.

Tata Communications' compensation and employee benefit practices are designed to be competitive in the respective geographies where we operate. Employee relations continue to be harmonious at all our locations. In line with the Company strategy, the Learning and Development ('L&D') strategy saw a shift in FY 2020-21, and in addition to democratisation of learning, targeted development avenues were introduced to cater to current and medium-term business needs. FY 2020-21 was an exceptional time; and despite being a difficult year due to the pandemic, our learners had 9.5 days of average learning days per employee that led to a 35% increase in total learning person-days (to 112,782) from FY 2019-20. Targeted development

across all skill categories was done for 2046 units and 3722 certifications were completed across different skill categories. Six Role Skill Academies were introduced for critical roles across Tata Communications' value chain and 1600 employees across 90+ roles are enrolled for 12-18 months development journeys. All of this is achieved through a platform strategy approach for L&D through our single learning interface, Tata Communications Learning Academy ('TCLA').

#### Disclosures pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Tata Communications has zero tolerance for sexual harassment and has adopted a charter on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and complied with all provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 including constitution of Internal Complaints Committee.

During the financial year 2020-21, the Company received one sexual harassment complaint which was disposed of after investigation during the year. One complaint received in the previous financial year and under investigation as on March 31, 2020, was also disposed of during the current financial year. As on March 31, 2021, both complaints were disposed of with appropriate action.

You can read more about our employee engagement and development programmes in the 'Human Capital' section of the MDA.

#### Surplus land

As previously reported, the Company acquired its assets, including numerous parcels of land, in 1986 from the Government of India ('GoI') as the successor to the Overseas Communications Service. At the time of disinvestment to Panatone Finvest Limited ('Panatone') in 2002, a total of 773.13 acres of land was identified as surplus under the terms of the SHA and it was agreed that this surplus land would be demerged into a separate entity.

To accomplish the surplus land's demerger, Panatone incorporated Hemisphere Properties India Limited ('HPIL') in 2005-06 to hold the surplus land as and when it is demerged. In March 2014, the GoI acquired -51.12% of the shares in HPIL making it a Government owned company.

On March 5, 2018, the Company filed the scheme of arrangement and reconstruction for demerger of surplus land ('Scheme') with the National Company Law Tribunal, Mumbai Bench ('NCLT'). HPIL, being a Government

Company, had filed the Scheme for approval with the Ministry of Corporate Affairs ('MCA') vide its application dated March 28, 2018.

The Scheme was approved by the NCLT on July 12, 2018 and by the MCA on August 5, 2019.

The effective date of demerger was August 7, 2019. The Record Date for determining the shareholders of the Company to whom the equity shares of HPIL were to be allotted pursuant to the Scheme was determined as September 18, 2019. The Board of Directors of HPIL, at its meeting held on February 18, 2020, approved the allotment of HPIL's shares to the shareholders of the Company on the Record Date in the ratio of 1 share of HPIL for every share of the Company. On October 22, 2020, the shares of HPIL were listed on BSE Limited and the National Stock Exchange of India Limited.

#### Sale of Stake by the Government of India

In March 2021, the Government of India ('GoI') divested its entire equity shareholding of 26.12% in the Company. GoI sold 16.12% of its stake to the general public by an offer for sale through the stock exchange mechanism on March 16, 2021 and March 17, 2021 and sold the balance shareholding of 10% to Panatone Finvest Limited through an off-market inter se transfer of shares between promoters on March 18, 2021.

### STATUTORY INFORMATION AND DISCLOSURES

#### Material Events after Balance Sheet Date

There are no subsequent events between the end of the financial year and the date of this Report which have a material impact on the financials of the Company.

#### Rated, Secured, Listed, Redeemable, Non-Convertible Debentures

On April 20, 2020, the Company, by way of private placement, issued and allotted 5,250 (Five Thousand Two Hundred and Fifty only) Rated, Secured, Listed, Redeemable, Non-Convertible Debentures ('NCDs') at a

nominal value of ₹10,00,000 (Indian Rupees Ten Lakhs only) each, aggregating up to ₹525,00,00,000 (Indian Rupees Five Hundred and Twenty Five Crores only).

The NCDs were rated AA+ by CARE Ratings Limited. The NCDs are listed on the Wholesale Debt Segment of the National Stock Exchange of India Limited.

#### Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### Acknowledgment

The Directors thank the Company's employees, customers, vendors, investors and partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The directors are also grateful to Tata Communications' other stakeholders and partners including our shareholders, promoters, bankers and others for their continued support.

The directors appreciate and value the contributions made by all our employees and their families for making the Company what it is.

On behalf of the Board of Directors

#### Renuka Ramnath

Chairperson  
DIN: 00147182

Dated: April 28, 2021

Registered Office:  
VSB, Mahatma Gandhi Road, Fort,  
Mumbai - 400 001

## Annexure I

# ANNUAL CSR REPORT FOR FY 2020-21

## 1. A brief outline of the CSR Policy of the Company:

### A FOCUSED PROGRAMME LINKED TO UN SDGs

At Tata Communications, we believe that technology and global interconnectedness have great potential to accelerate human progress. The United Nations has recognized that Information and Communications Technology (ICT) has the potential to accelerate the progress across all 17 Sustainable Development Goals (SDGs). We have therefore adopted the SDGs as an overarching framework for our CSR policy in conjunction with Schedule VII read with Section 135 of the Companies Act, 2013 ('Act') and the rules made thereunder. Additionally, the CSR framework of the Tata Group and organisational priorities augment the overall CSR approach.

Tata Communications' global CSR programme harnesses our expertise in digital enablement to address some of society's fundamental concerns in three priority areas - (1) Education (2) Employability and sustainable livelihoods (3) Healthcare and Disaster Relief. These are aligned to the following five SDGs:

- SDG 3 - Ensure healthy lives and promote well-being for all at all ages
- SDG 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- SDG 8 - Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all
- SDG 10 - Reduce inequality within and among countries
- SDG 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development

### Alignment with the Tata Group philosophy

The Tata Group's philosophy 'to improve the quality of life of the communities served globally through long-term stakeholder value creation based on leadership with trust' is what inspires and acts as a backbone for CSR at Tata Communications.

Our CSR strategy and approach leverage core expertise, infrastructure, and resources to create long-term shared value for communities, primarily the underserved such as Dalits and Tribals, as well as women, children, and youth. In this context, Affirmative Action ('AA') is a valueable and key element of Tata Communications' CSR. AA at Tata Communications is based on the philosophy of 'right thing to do' and embedded within the 'Diversity and Inclusion' framework of the organisation. Our AA policy, which is in line with Tata Affirmative Action Programme ('TAAP') focuses on providing an equal footing for Dalits and Tribals by creating opportunities through education, employment, essential amenities, and entrepreneurship. Approximately 17% of the total CSR budget in FY 2020-21 was invested in supporting the AA community.

### Monitoring and Evaluation

In the FY 2020-21, the Company collaborated with 13 NGO partners who have implemented 15 projects in 10 states focusing primarily on children, youth, and women. A new phase of funding in this financial year was received by 6 NGO partners for 8 projects across 7 states, out of which 2 were directly implemented. Our CSR partnerships are mostly long-term in nature with organisations having domain expertise and a strong sense of ethics and integrity to deliver sustainable impact. Progress and performance of our CSR projects is reviewed by the Company's leadership and the Board's CSR Committee using a well-defined monitoring and evaluation framework. We use a web-based tool that enables partners to upload real-time data and geo-tag photographs,

in addition to regular site visits/ virtual calls to assess the progress of projects and extend support to our partners. We also commission third party impact assessments of projects that have reached a defined level of maturity, to identify gaps for course correction and document best practices.

The Company's CSR policy has been formalised as per the requirements of Section 135 of the Companies Act 2013 and provides our philosophy, key focus areas and guiding principles for selection, implementation and monitoring of CSR activities and also states that any surplus arising out of the CSR projects or programmes or activities shall not form part of the Company's business profits.

Details of the CSR policy are available on the below-given link.

<https://www.tatacommunications.com/investors/governance/>

Details of CSR priority areas are available on the below given link:

<https://www.tatacommunications.com/about/sustainability/community>

**AWARDS AND RECOGNITION**

A case study on MPowered featured in 'Corporate Social Marketing in India: Building a Better World and Bottom Line', was selected for publication by Springer Singapore in 2020.

**Making a difference: CSR deliverables FY 2020-21**

Priority Area	Project Name and Description	Progress
<b>Education</b> Promote access to quality education and lifelong learning for all, by long-term, multi-stakeholder partnerships which aim to transform public education through digital enablement, educators training, mentorship and scholarships for learners, and engagement of youth leaders.	<b>A New Education Worldview ('ANEW')</b> The project aims to reform 110 government schools in the Gurugram, Pataudi, Farrukhnagar and Sohna districts of Haryana and impact 29,000+ school students by empowering teachers, principals, district education officers, community members and youth (Gandhi Fellows) through leadership development.	<p><b>Enhanced learning outcome by:</b></p> <ul style="list-style-type: none"> <li>-10% increase in Student Learning Outcomes ('SLO') of the students</li> </ul> <p><b>Enhanced community engagements by:</b></p> <ul style="list-style-type: none"> <li>forming 110 School Management Committees ('SMC') across the government schools</li> <li>engaging parents to actively participate in children's educational and overall development</li> <li>conducting 500+ meetings with parents to regularly inform them about the school activities/ events and progress of their children.</li> </ul> <p><b>Developed educational leadership by:</b></p> <ul style="list-style-type: none"> <li>conducting 12+ meetings with the head-teacher (average duration of meetings was ~72 mins) on strengthening their capacity to use digital platforms and to use the project's tools and products.</li> </ul> <p><b>Promoted e-learning mechanism by:</b></p> <ul style="list-style-type: none"> <li>training 30+ staff and 174+ parents in using the DIKSHA mobile application launched by the Government of Haryana to engage students, teachers, and parents in learning material relevant to the prescribed school curriculum</li> <li>partnering with 6 e-content organizations to develop an e-learning mechanism for children</li> </ul> <p><b>Ensured children's and communities' well-being during the pandemic by:</b></p> <ul style="list-style-type: none"> <li>providing 1,100+ beneficiaries in the community with clothes and food</li> </ul>

Priority Area	Project Name and Description	Progress
	<b>School Enrichment Program ('S.E.P.')</b> The education initiative aims to improve the academic performance of children from low-income schools through innovative learning methods and creating a network of community educators as skilled para-teachers who can contribute towards conducive classroom teaching for children implemented across 2 municipal schools at Vakola, Mumbai.	<p><b>Delivered better facilities to 295 underprivileged children from slum communities and supported learning continuity by:</b></p> <ul style="list-style-type: none"> <li>performing 198 extracurricular activities such as craft, speech competition etc. in a blended mode</li> <li>conducting 151 student's home visits to engage parents to actively participate in children development activities</li> </ul> <p><b>Increased the efficacy of teachers and supported them in adopting innovative teaching methodologies by:</b></p> <ul style="list-style-type: none"> <li>conducting 650 hours of teacher training</li> <li>creating 82 teaching modules for 6+ teachers</li> </ul> <p><b>Enabled students to access quality education by:</b></p> <ul style="list-style-type: none"> <li>providing scholarships to 10 students from the Affirmative Action community to support their higher education needs.</li> </ul>
	<b>Foundation for Academic Excellence and Access ('FAEA')</b> A Tata Group initiative that extends support to meritorious undergraduate students across India by supporting their tuition and living expenses.	
	<b>Samarth</b> The project is a rolling scholarship cum mentorship program instituted by Tata Communications in collaboration with Tata Motors Limited and Tata Autocamp Hendrikson Suspensions Pvt. Limited in 2015. It provides financial assistance and mentorship to students from socially and economically underserved sections. It supports students from multiple Pune based colleges, including College of Engineering Pune, Government Polytechnic Pune, Government College of Engineering and Research Avasari Khurd, Government College of Karad, Government Polytechnic Avasari.	<p><b>Ensured educational security of meritorious students from the underserved background by:</b></p> <ul style="list-style-type: none"> <li>providing financial aid to 89 students to complement their academic needs.</li> </ul>

Priority Area	Project Name and Description	Progress
	<b>Kreeda aur Shiksha</b> This is a holistic education intervention using ICT and sports. The project's intent is to accelerate quality education by leveraging innovative teaching techniques and digital content to develop 21 <sup>st</sup> century skills in first-generation learners, making them more confident, robust and empowered.	<b>Enhanced learning outcome by:</b> <ul style="list-style-type: none"> <li>-33% increase in SLO of the students.</li> </ul> <b>Enhanced the development of teachers by:</b> <ul style="list-style-type: none"> <li>conducting a total of 30 hours of teacher training on Mathematics, Science and English.</li> </ul>
	<b>Global Citizenship Education using ICT</b> This project is an integrated approach for the development of the new generation. It is conceptualized for enhancing all the factors that influence the development of underprivileged children through the latest methods of teaching and technology that helps them be New World Citizens	<b>Enhancing student academic and leadership performance by:</b> <ul style="list-style-type: none"> <li>conducting leadership programs and 99+ telepresence sessions to improve global exposure of students</li> <li>conducting 70+ mentoring sessions to create independently motivated learners</li> </ul> <b>Ensured children's and communities' well-being during the pandemic by:</b> providing ration and hygiene kit for 15 days to the families of 1,500 students from their school in Bengaluru.
<b>Employability and sustainable livelihoods</b> Educating and enabling underserved youth with employability and life skills training to make them industry-ready. Also supporting the inclusion of young girls and women in the economy by providing entrepreneurship development training and handholding support through enterprise creation.	<b>School of Hope and Empowerment ('S.H.E.')</b> This project harnesses the power of digital connectivity and partnerships to create enabling environments that support women entrepreneurs from underserved communities in India. It aims to inspire 70,000+ women from hard-to-reach geographies in Jharkhand through educational and inspirational video series delivered through microsite, social media and Interactive Voice Response ('IVR') based system.	<b>Equipped women with inspirational and educational series to aid them in setting up/ managing enterprises by:</b> <ul style="list-style-type: none"> <li>partnering with experts to build educational and inspirational videos that are relevant for setting up and managing enterprises.</li> <li>creating partnerships with Jharkhand State Livelihood Promotion Society ('JSLPS'), Udyogini, Change Designers, Rapid Rural Community Response ('RCRC'), Dasra and Trickle Up as knowledge and distribution partners.</li> <li>formation of 2 advisory groups for content and outreach.</li> </ul>

Priority Area	Project Name and Description	Progress
	<b>Tata Strive</b> A Tata group level employment linked skill development program that provides training in industry-specific trades to underserved youth, focusing on inclusivity and gender diversity within the beneficiary group. It makes youth job-ready in different trades like android app development, solar technician, banking financial services and insurance ('BFSI'), business process outsourcing ('BPO'), retail sales associate, assistant electrician, hygiene assistant, assistant beauty therapist, auto sales consultant, cybersecurity analyst and general duty assistant. The project is currently operational in East Delhi, Mumbai, Pune, Chennai, Hyderabad, Bengaluru.	<b>Enhancing livelihood opportunities of youths by:</b> <ul style="list-style-type: none"> <li>training 1,600+ youths in industry specific trades</li> <li>providing them gainful employment with an average monthly salary of ₹11,600</li> <li>training ~300 students in the Institutional Enrichment Program (supporting final year students) in colleges of Chennai, Bengaluru and Hyderabad</li> <li>ensuring 47% female learners in the overall trained youth</li> </ul> <b>Providing wide range of skill development opportunities by:</b> <ul style="list-style-type: none"> <li>introducing a cybersecurity course. The content was created by a group of Tata Communications' employees who also undertook the sessions as Subject Matter Experts ('SMEs'). Given the increase in the use of the digital medium, cybersecurity is a need of the hour and the course aims to create a cadre of skilled cybersecurity professionals from underserved backgrounds to meet the rising demand in the industry for cybersecurity professionals.</li> <li>offering 13 employment linked courses across the centres.</li> </ul> <b>Impacting skill training ecosystem by:</b> <ul style="list-style-type: none"> <li>introducing the usage of technology in skilling space such as Youth Development Scorecard application to support facilitators and youth conduct coaching conversations online and KNACK tool to identify aptitude of youth aligned to various job roles.</li> </ul>
	<b>Mobile Connections to Promote Women's Economic Development ('MPowered'), (Phase II)</b> This project empowers women living in extreme poverty in eastern India with custom-designed mobile technology, resulting in improved livelihoods, increased access to financial services and greater participation in government programs. The project supports 2,800 project participants in the states of Jharkhand and Odisha in the Muribahal block of Bolangir district Odisha and in Manhorapur block of Jharkhand.	<b>Enhancing livelihood opportunities of women by:</b> <ul style="list-style-type: none"> <li>providing an average monthly earning of ₹2,500 through livelihood planning for each participant.</li> <li>forming 221+ Self-Help Groups ('SHGs') to help women utilize the savings from the group.</li> <li>conducting livelihood planning exercise for Phase II with 500 participants in Jharkhand and with 387 participants in Odisha.</li> <li>providing a seed grant of ₹3,000 to supplement other government entitlements to set up small scale business.</li> </ul>

Priority Area	Project Name and Description	Progress
		<p><b>Increased technological capability of the community by:</b></p> <ul style="list-style-type: none"> <li>distributing 946 smart phones to project participants and conducting 4+ trainings sessions for supporting beneficiaries with effective ownership or control of smartphones.</li> <li>training 132 Smart Sakhis (digital coaches for the project participants) on livelihood related activities (specific crops and livelihood planning) through a cascade model.</li> <li>developing new version of PoP (Package of Practices) app with added functionalities with multilingual, multi-login facilities to cater to the needs of the project.</li> <li>initiating “shared device model” to maximize smart phone usage among project participants.</li> </ul> <p><b>Enhanced food security and nutrition by:</b></p> <ul style="list-style-type: none"> <li>providing trainings to selected 25 project participants for creating 50 nutri-gardens as part of a pilot exercise in each state to build participants’ sustenance, especially during crisis.</li> </ul>
	<p><b>Udaya</b></p> <p>This project aims to develop entrepreneurial capacity and business resources among women from the Affirmative Action community (Dalits and Tribals), weaker sections and SHG members for sustainable income through enterprise creation. The project is being undertaken at Pune and Raigad districts of Maharashtra.</p>	<p><b>Improve the life situation of women from traditionally underserved communities (AA) by:</b></p> <ul style="list-style-type: none"> <li>training 179 women and 18 male participants (persons with disability) in customized Women Entrepreneurship Development Programmes (‘WEDP’).</li> <li>providing them one-year handholding support, which led to the formation of 42 enterprises in FY 2020-21.</li> <li>generating average monthly sustainable income of ₹8,450 through enterprise setup.</li> <li>sensitizing 450+ women on entrepreneurship through 20 entrepreneurship awareness sessions.</li> </ul>
<p><b>Healthcare and Disaster Relief</b></p> <p>Extending access to healthcare services, particularly towards prevention and care of non-communicable diseases in rural areas to ensure healthy lives and promote wellbeing. Our focus is on breaking the health-poverty nexus by equipping underserved communities with the necessary equipment, infrastructure, and skills.</p>	<p><b>Assam Cancer Care</b></p> <p>This project is operational in Assam, supporting the establishment of the ‘telepathology’ infrastructure for cancer diagnostics. It aims to reduce cancer deaths by facilitating early diagnosis.</p>	<p><b>Enabled pathologists to view and report on the cancer stage promptly and reduced travel time for patients by:</b></p> <ul style="list-style-type: none"> <li>installing 2 scanners in Cachar Cancer Hospital (Silchar) and State Cancer Institute (Guwahati).</li> <li>deploying scanner at Histopathology Laboratory, Mumbai.</li> </ul> <p><b>Automating slide preparation to diagnose patients’ tissues by:</b></p> <ul style="list-style-type: none"> <li>procuring automatic cover slippers, H&amp;E stainers, immunohistochemistry stainer and fully motorized microscope.</li> </ul>

Priority Area	Project Name and Description	Progress
	<p><b>National Cancer Grid</b></p> <p>This project aims to bridge the training gaps observed among the healthcare workers in the Cancer screening program and improving the effectiveness of the cervical cancer screening program across India.</p>	<p><b>Improved compliance and outcome of the Government’s Cancer Screening Programme and Cervical Cancer screening program by:</b></p> <ul style="list-style-type: none"> <li>training ~30 nurses across 10 centres in India virtually on theory sessions and providing practical training under the guidance of experts.</li> <li>introducing patient navigator in hospital systems to streamline patient’s access to facilities in hospitals.</li> <li>conducting training for general practitioners to further help in an easy referral of suspected cancers cases.</li> </ul>
	<p><b>Drishti</b></p> <p>This project aims to empower young girls to break out of the gender-health-poverty trap and attain their full potential to lead a life which they are capable of living through employment linked education in subjects like English, Mathematics, Science and optometry along with an e-MBA program to inculcate leadership skills. It also focuses on digitalizing the processes by developing a centralized information system.</p>	<p><b>Developed leadership and 21<sup>st</sup>-century skills in girls by:</b></p> <ul style="list-style-type: none"> <li>enrollment of 17 girls in the e-MBA program and supporting them through leadership trainings.</li> </ul> <p><b>Improved process efficiency of the hospitals by:</b></p> <ul style="list-style-type: none"> <li>developing a Hospital Information System (‘HIS’) to streamline online data collection systems.</li> </ul>
	<p><b>COVID-19 relief and support</b></p>	<p><b>Ensured children’s and their families well-being during the pandemic by:</b></p> <ul style="list-style-type: none"> <li>distributing dry ration kits to 500 students and their families to provide meals for 15 days by providing additional funds of ₹7,00,000 to project partner CHIP Mumbai.</li> </ul> <p><b>Extending support to disaster struck underserved communities by</b></p> <ul style="list-style-type: none"> <li>initiating global employee donation with dollar-to-dollar match by the Company. The donation of ₹76,05,507 was made to Tata Community Initiative Trusts and utilized to support distressed families with dry ration kits, distribution of PPE kits, masks, gloves etc. as well as distribution of cooked meals in migrant workers areas.</li> </ul> <p><b>Improved wellbeing of communities by:</b></p> <ul style="list-style-type: none"> <li>collaborating with Tata Power-Delhi Distribution Limited (TP-DDL) to use a donation of ₹6,09,137 for distribution of ration kits (for 10 days) and basic hygiene supplies (soaps, masks) to 1,000 underserved families in Jhuggi - Jhopri (JJ) cluster in Delhi. Moreover, 55 underprivileged women were supported to gain livelihood through mask-making which led to income generation during the lockdown period.</li> </ul>

**Employee volunteering** In FY 2020-21, 7,572 employees volunteered out of which 4,679 were from Tata Communications Limited and the rest from its subsidiaries. A total of 31,013 volunteering hours was recorded, including 20,830 volunteering hours from Tata Communications' volunteers. Globally through virtual volunteering, we have impacted 1,99,291 lives covering 1,27,735 lives through Tata Communications Limited.

The overall per capita for FY 2020-21 stood at 2.6 hours and for Tata Communications Limited it was 3 hours.

Enriching CSR projects through skills-based volunteering; channelling employees' energy towards community action on key social and environmental issues and providing a space for their leadership development.

#### International CSR activities

Tata Communications has expanded its CSR footprint globally. The spend on international CSR activity is over and above the requirements of the Companies Act, 2013

Tata Communications has been working with the Evergreen Secondary School through the 'Network for Teaching Entrepreneurship (NFTE)' programme in association with Halogen Foundation, Singapore. It was started in 2016 to empower the youth with relevant skills that will allow them to be prepared for industry life and to have the right attitude and value to enhance their prospects.

NFTE programme annually benefits 37 students. The programme targets students of socio-economically underserved background to allow them to instil an entrepreneurial mindset through experiential activities, regular work sessions with corporate volunteers and various other activities.

## 2. Composition of the CSR Committee

The Company has constituted a CSR Committee of the Board with three directors, as named below:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Srinath Narasimhan	Chairperson	1	1
2.	Dr. Uday B. Desai	Member	1	1
3.	Dr. Rajesh Sharma	Member	1	1

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Details of the CSR Policy and projects are available on the Company's website at the following link:

<https://www.tatacommunications.com/investors/governance/>

Details of the composition of CSR Committee are available on the Company's website at the following link:

<https://www.tatacommunications.com/investors/governance/>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The Company conducts regular impact assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy)

Rules, 2014 and has initiated steps to conduct impact assessment of CSR projects through an independent agency. There were no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in FY 2020-21. However, the Company had undertaken impact assessment of its ANEW project between February 2020 - July 2020, a summary of which is given below:

In FY 2020-21, an impact assessment was carried out for the 'A New Education Worldview ('ANEW') project. ANEW facilitates holistic school reformation in 110 government schools across Gurugram District (Haryana) by equipping teachers with evolved teaching practices, integrating technology into the curriculum of first-generation learners, improving learning levels of students, reducing dropout rates, and enhancing community ownership. The project is implemented with the support of Gandhi Fellows, young individuals between 20 and 25 years old pursuing a fellowship program for 2 years who consistently engage with district education officers, head-teachers, teachers, children, parents, and communities to ensure successful and sustainable social impact. The study adopted Organization for Economic Cooperation and Development's ('OECD') Development Assistance

Committee ('DAC') framework and mixed methods approach to understand the relevance, effectiveness and impact of the program both quantitatively and qualitatively. The study included a 360-degree view from the ground by conducting discussions with the stakeholders across the spectrum: students, teachers, parents, State Government Education Department officials, funding partner, ANEW program team and Gandhi Fellows.

The study highlights that project interventions are helping learners to improve their learning outcomes and there is strong positivity around the model from local stakeholders (most teachers, head-teachers, and district officials). The intervention has augmented the positive impact on teaching quality and learning outcomes created by the Saksham Haryana initiative, through additional support of Gandhi Fellows and learning from leadership skills training, as reported by parents, teachers and government stakeholders. Also, there is a positive impact within the Gandhi Fellows in terms of improving problem-solving ability, community engagement ability, leadership skills, teamwork skills.

The detailed impact assessment report is available at the following link: <https://www.tatacommunications.com/about/sustainability/community/>

## 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹)	Amount required to be set-off for the financial year, if any (₹)
		Nil	

## 6. Average net profit of the company as per section 135(5).

Financial year (as per Section 198)	2017-18	2018-19	2019-20
Net profit for the year (₹ in crores)	672.00	382.00	321.88

The average net profit for the last three financial years is ₹ 458.63 crores.

### 7. a) Two percent of average net profit of the company as per section 135(5).

₹ 9.17 crores

### b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

### c) Amount required to be set off for the financial year, if any.

Nil

### d) Total CSR obligation for the financial year (7a+7b-7c).

₹ 9.17 crores



**8. a) CSR amount spent or unspent for the financial year:**

Tata Communications Limited has spent more than 100% of its prescribed CSR obligation for the financial year 2020-21.

Total Amount Spent for the Financial Year (₹)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
9,21,69,427	0	Not Applicable	Not Applicable	0	Not Applicable

**b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project Duration	Amount allocated for the project (₹)	Amount spent in the current FY (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number	
1	<b>Tata Strive</b> A Group CSR programme on employment-linked skills development in industry-specific trades for underserved youth including AA communities.	Item (ii)	Yes	Delhi, Maharashtra, Tamil Nadu, Telangana, Karnataka	East Delhi, Mumbai, Pune, Chennai, Hyderabad, Bengaluru	2 Years	13,24,10,000	3,64,34,665	0	No	Tata Community Initiatives Trust	CSR00002739
2	<b>A New Education Worldview (ANEW)</b> Transforming government schools by empowering headteachers including promotion of 21 <sup>st</sup> -century skills.	Item (ii)	Yes	Haryana	Gurugram, Pataudi, Farrukhnagar and Sohna	2 Years	4,26,79,188	62,94,534	0	No	Kaivalya Education Foundation	CSR00000617
3	<b>School of Hope and Empowerment (S.H.E.)*</b> Empowering women by creating 'Enabling Environments' for entrepreneurship through a multimedia education program	Item (iii)	Yes	Jharkhand	Dhanbad, Bokaro, East Singhbhum, Hazaribagh and Ranchi	3 Years	79,60,600	78,07,428	0	Yes	Not Applicable	Not Applicable
4	<b>Samarth*</b> Scholarship and mentorship program for students from socially and economically underserved sections	Item (ii)	Yes	Maharashtra	Pune	3 Years	30,00,000	15,61,486	0	No	College of Engineering Pune, (COEP)	CSR00003085

\*Extension

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project Duration	Amount allocated for the project (₹)	Amount spent in the current FY (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number	
5	<b>School Enrichment Program</b> Improving the academic performance of children from low-income schools through innovative learning methods and creating a network of community educators as skilled para-teachers	Item (ii)	Yes	Maharashtra	Mumbai	2 Years	17,48,340	18,20,005	0	No	Ballygunj Society for Children in Pain (CHIP)	CSR00003066
<b>Total</b>							18,77,98,128	5,39,18,118	0			

**c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Amount spent for the project (₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number	
1	Foundation for Academic Excellence and Access ('FAEA') Providing scholarship to meritorious underserved students for higher studies.	Item (ii)	Yes	Pan India	Pan India	7,28,693	No	Foundation for Academic Excellence and Access	CSR00002144
2	A New Education Worldview ('ANEW') (Phase II) Transforming government schools by empowering headteachers	Item (ii)	Yes	Haryana	Gurugram, Pataudi, Farrukhnagar and Sohna	2,50,39,279	No	Kaivalya Education Foundation	CSR00000617
3	COVID-19 Relief Support Program	Item (xii)	Yes	Maharashtra, Delhi	Mumbai and Delhi	89,14,644	Yes	Not Applicable	Not Applicable
<b>Total</b>						3,46,82,616			

## d) Amount spent in Administrative Overheads

₹35,68,693

## e) Amount spent on Impact Assessment, if applicable

Nil

## f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹9,21,69,427

## g) Excess amount for set off, if any

Sr. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	9,17,25,094
(ii)	Total amount spent for the Financial Year	9,21,69,427
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4,44,333
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4,44,333

## 9. a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹)	Amount spent in the reporting Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹)
				Name of the Fund	Amount (₹)	Date of transfer	
Not Applicable							

## b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sr. No	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project Duration	(6) Total Amount allocated for the project (₹)	(7) Amount spent on the project in the reporting financial year (₹)	(8) Cumulative amount spent at the end of reporting Financial Year (₹)	(9) Status of the project - Completed/ Ongoing
1	CSR0005ANEW2018_1.0	<b>A New Education Worldview (ANEW)</b> Transforming government schools by empowering headteachers including promotion of 21 <sup>st</sup> century skills.	FY 2018-2019	2 Years	4,26,79,188	62,94,449	4,96,94,829	Completed

(1) Sr. No	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project Duration	(6) Total Amount allocated for the project (₹)	(7) Amount spent on the project in the reporting financial year (₹)	(8) Cumulative amount spent at the end of reporting Financial Year (₹)	(9) Status of the project - Completed/ Ongoing
2	CSR0011TSP2020_1.0	<b>Tata Strive</b> A Group CSR programme on employment-linked skills development in industry-specific trades for underserved youth including AA communities	FY2020-2021	2 Years	13,24,10,000	3,64,34,172	3,64,34,172	Ongoing
3	CSR0008MPOWERED2019_1.0	<b>MPowered (Phase II)</b> Enhancing livelihood opportunities of ultra-poor women through mobile technology	FY 2019-2020	2 Years	2,53,07,465	0	2,61,38,207	Ongoing
4	CSR0006UDAYA2019_1.0	<b>UDAYA</b> Developing women entrepreneurs from AA communities with focused efforts on developing entrepreneurial capacities for sustainable income	FY 2018-2019	2 Years	1,51,19,800	0	15,46,297	Completed
5	CSR0003KAS2018_1.0	<b>Kreeda aur Shiksha</b> Creating digital and sports infrastructure for students and teachers to improve the school going experience	FY 2017-2018	5 Years	1,10,00,000	0	1,10,00,000	Ongoing
6	CSR0002GCEI2018_1.0	<b>Global Citizenship Education using ICT</b> Supporting development of underprivileged children through latest methods of teaching and technology that helps them be New World Citizens	FY 2017-2018	4 Years	1,00,00,000	0	1,00,00,000	Ongoing

(1) Sr. No	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project Duration	(6) Total Amount allocated for the project (₹)	(7) Amount spent on the project in the reporting financial year (₹)	(8) Cumulative amount spent at the end of reporting Financial Year (₹)	(9) Status of the project - Completed/ Ongoing
7	CSR0001NCG2016_1.0	<b>National Cancer Grid</b> Aims to bridge the training gaps observed among the healthcare workers in the cancer screening program and improving the effectiveness of the cervical cancer screening program across India	FY 2015-2016	~6 Years	2,50,00,000	0	2,50,00,000	Ongoing
8	CSR0004ACP2018_1.1	<b>Assam Cancer Project</b> Aims to enable pathologists associated with LIs or other NCG hospitals to view and report on the slides in a timely manner. Further it will also reduce commute time for a person residing in the remote locations of Assam.	FY 2017-2018	~4 Years	5,00,00,000	0	5,00,00,000	Ongoing
9	CSR0013DRISHTI2020_1.0	<b>Drishhti</b> The project aims to empower young girls to break out of the gender-health-poverty trap and attain their full potential to lead a life which they are capable of living through employment linked education in subjects like English, Math, Science and optometry along with an e-MBA program to inculcate leadership skills.	FY 2019-2020	2 Years	75,00,000	0	70,15,000	Ongoing
<b>TOTAL</b>					<b>31,90,16,453</b>	<b>4,27,28,621</b>	<b>16,71,33,676</b>	

Note: Financial figures reported in column (6) doesn't include the M&E cost and in column (7) reported financial figures includes the M&E cost.

#### 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- Date of creation or acquisition of the capital asset(s).  
Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset  
Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.  
Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).  
Not Applicable

#### 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Tata Communications Limited has spent more than 2% of its average Net Profit as per Section 135(5) for the Financial Year 2020-21.

Sd/-

**Amur S. Lakshminarayanan**  
Managing Director and CEO

Sd/-

**Srinath Narasimhan**  
Chairman - CSR Committee

# Management Discussion & Analysis

## Economic Overview

**The Covid-19 pandemic dominated the Financial Year 2020-21. The global economy registered a contraction of 3.3% (IMF – World Economic Outlook, April 2021). It was the additional fiscal support and the vaccine, developed later in the year that helped the global economy recover comparatively. On the domestic front, the Indian economy shrunk by 8% (IMF – World Economic Outlook, April 2021) due to the initial lockdown norms impacting major industries.**



With a second wave in India, came an unprecedented rise in Covid-19 cases and localised lockdowns again took a toll on retail and wholesale businesses. Relaxation of norms on other industries to function, helped to keep a check on economic loss.

With major economies contributing to an estimated loss in Gross Domestic Product ('GDP') of US\$ 3.94 trillion<sup>1</sup>, it is imperative that countries constantly reassess their strategies and create prudent policies to emerge from the prolonged health crisis and continue revitalising their economies. Organisations have looked to ramp up the digital capabilities of their workforce. Increased collaboration within companies and remote working are

The Digital India plan is predicted to boost GDP by up to **US\$ 1 trillion** by 2025.

boosting productivity, presenting a long-term solution to the question of performance and bringing an economic benefit for both employers and employees.

With easing of lockdown restrictions globally and businesses adapting to the new way of working, the overall outlook is looking up. International response to the Covid-19 outbreak has been centred around vaccines being available and immunising the population. The effectiveness of policy response by governments will determine the speed of recovery of economies around the world.

In developing economies, lockdown and containment measures continue to be a norm until vaccines are procured/developed to provide protection at scale. With medium term growth post the second wave still predicted to be stable, certain risks such as public health crisis, consumer confidence, inflation and sectoral impact could negatively sway the economy.

While the impact on economies, sectors and businesses continues to evolve by the day, one thing is certain - this crisis is accelerating an already growing trend towards digitalisation. Therefore, for governments looking to drive economic recovery after the pandemic, supporting such digital transformation will be key. As most people continue to work remotely, there is an increased dependency on digital infrastructure which is coming to life through a combination of policy making, technological innovation and adapting to the 'new normal' across major economies. The Digital India plan is predicted to boost GDP by up to US\$ 1 trillion by 2025 and most analysts are expecting Covid-19 to give a boost to the Digital India mission as it will encourage customers to adopt digital means to engage with them.

<sup>1</sup>Statista  
<https://www.statista.com/topics/6139/covid-19-impact-on-the-global-economy/>

## Industry Overview

### The Digital Ecosystem

**The digital ecosystem comprises the entire technology spectrum in digital transformation. This includes independent software vendors, system integrators, IT consultants, product Original Equipment Manufacturers ('OEMs'), value-added-resellers, cloud service providers, Software-as-a-Service ('SaaS') companies, right through to telecom providers.**



As the world evolved through the ages, there has been increased digitalisation and technology adoption. Both have played a pivotal role in the evolution and success of businesses. Today, as people and enterprises become more and more agile, intelligent and connected, they learn and adopt new ways of connecting with each other.

Hyper-connectivity enabled by technology has been the bedrock for people, businesses and governments in managing the Covid-19 crisis. The pandemic has propelled rapid developments in technology to track critical information. While the borders have returned, as have local communities, it is technology that is playing a pivotal role to return to a more global or virtual world. Technology is enabling the contact-free economy, through applications such as online retail, telemedicine, and social distancing delivery methods such as click and collect. Technology is enabling disruptions in industries to imagine new business. New employment opportunities are being created in these sectors, and with a greater

Technology has been central to the way people, companies and governments have managed the **Covid-19 crisis.**

dependence on technology, there is a heightened need for cybersecurity.

Consequentially, an even higher focus on digital transformation within organisations is only natural. Digital ecosystem has emerged as the driver of business growth, opening opportunities for organisations by enabling borderless growth, boosting product innovation and customer experience, improving productivity and efficiency, building agility and managing risk and improving resilience through decentralisation. However, this ecosystem can be complex for businesses to join up, manage and derive maximum value from. Different pieces of the digital "jigsaw" need to be connected to work effectively and efficiently. And it will be an environment that will continue to grow in complexity against requirements of today such as network transformation - the crucial foundation of any digital business, cloud deployment and collaboration, mobility and Internet of Things ('IoT') and security solutions.

An increase in adoption of advanced technologies like Artificial Intelligence ('AI') / Machine Learning ('ML') and automation in operations is going to optimise costs and provide new use cases and solutions to businesses. Enterprises will increasingly depend on trusted partners that can see the whole picture, connecting and enabling this ecosystem and delivering the transformative outcomes it knows are most valuable to their business.



### Telecom Market

The next wave of digitalisation is changing the way people, businesses and devices interact and interconnect. Businesses are engaging audiences across the value chain, including suppliers, partners, employees, customers and end-consumers. This entails interaction among people, processes and devices, enabling real-time conversations through voice, video and data. Hence, driving a seamless, connected ecosystem of platforms becomes essential for businesses worldwide.

Currently, India is the second-largest telecommunications market globally, having around 1.2 billion subscribers as per an article by Statista<sup>2</sup>. India's fast-paced mobile economy is expected to continue to contribute substantially to India's GDP. The growing subscriber base is fuelled by the increasing mobile network coverage, low tariffs, growing broadband internet access and smartphone penetration. Video is rapidly becoming the

India's fast-paced mobile economy is expected to continue to contribute substantially to **India's GDP**.

mainstay for engaging conversations, engagement and consumption, pushing the limits for enterprises to take on a mobile-first approach.

Furthermore, in the Budget 2020, the Government of India proposed to allocate ₹6,000 crores to the BharatNet programme which aims to provide broadband services to all households and institutions. While the target was to connect 250,000 GPs, Wi-Fi had been installed in 104,000 GPs, out of which Wi-Fi in -64,000 GPs was active, as of January 2021, according to the Bharat Broadband Network Limited ('BBNL'). Also, in Budget 2021, the Ministry of Finance had allocated ₹9,000 Crores for high-speed optic fibre cable or satellite-based broadband services across the 220,000 village panchayats and this will further strengthen India's 5G capability. Developments in this space are being closely watched as the sector comes up with a long-term strategy for sustainable growth.

### Key Trends Impacting Our Industry

Tata Communications is focused on the ever-evolving enterprises in the digital economy. We are enabling digital transformation for enterprises across all layers of IT with infrastructure becoming invisible, cloud becoming dominant, data driving new business models and security requirements changing from reactive to proactive.

### Driving Digital Transformation to Make Enterprises Agile and Accelerate

Enterprises, globally, are witnessing disruptive innovation to make dramatic shifts almost overnight due to the pandemic. With "anywhere operations" becoming central and core to businesses, managing the technology ecosystem is becoming vastly more complex. Enterprises are continuously working to effectively manage and maximise the technology value to drive business agility.

- Tata Communications customers' digital estates are expanding. These need simplification and future-proofing of technologies, tools and platforms that are being deployed.
- Every enterprise is unique with distinct needs and a customised technology stack. It is paramount for each enterprise to have precise assessment, advice and support tailored to their specific requirements.
- The impact of the pandemic has seen 82% of Chief Information Officers ('CIOs') implement new

technologies, IT strategies and/or methodologies. In fact, 37% say that they increased their 2020 IT budgets during this time, proving the necessity of technology for business growth and maintenance, according to the IDG State of the CIO<sup>3</sup> survey, January 2021. The technology initiatives that are expected to drive the most IT investment in 2021 are data/business analytics, security/risk management, enterprise applications (cloud-based), customer experience technologies, and AI/ ML tools.

- More than half (51%) of CIOs, in the IDG State of the CIO<sup>3</sup> survey, January 2021, stated their top priorities related to remote work included doubling down on improving cybersecurity controls to secure remote work while 35% are implementing remote-first practices, and 33% are spending time reassessing their methods of communication.

### Sustainability in Telecom

The telecom industry [in general Information and Communication Technologies ('ICT') sector] is not only critical in transforming social and economic development, but also plays a critical role in supporting the successful implementation of the United Nations' Sustainable Development Goals ('SDGs'). It has immense potential to speed up the rate of diffusion by offering a vast range of cutting-edge technologies, applications, and platforms which, in addition to reducing the costs of service delivery, help low-income countries to quickly achieve development milestones while also solving some of the world's most pressing challenges such as climate change, resource conservation, and inclusive society growth by extending its reach and capabilities.

Carbon footprint of the ICT sector is about 1.4% of the total global Greenhouse Gas ('GHG') emissions, including the whole life cycle for all parts of the sector. Though ICT represents a small share of global carbon emissions according to the International Telecommunication Union, it has a potential to reduce 98% of global GHG emissions through its low carbon products and solutions. To a large extent, the carbon footprint of ICT depends on electricity consumption which is the easiest energy carrier to decarbonise. If the ICT sector and its users switch exclusively to renewable energy sources, then the carbon footprint could be reduced by as much as 80 percent. This gives a great opportunity for ICT companies to invest more in renewable energy to decarbonise their businesses. Already today, many major ICT companies are investing a lot in renewables and taking action to reduce their footprints and that should expand. According to the International Telecommunication Union, the ICT industry needs to reduce greenhouse gas emissions by 45% by 2030.



The telecom sector is probably the foremost omnipresent technology sector within the world. Since the arrival of cellular communication technologies, telecommunication towers are found in most areas wherever human settlements are found. As demand for energy consumption increases together with the amount of network data and the use of ICT equipment, the sector has helped in reducing energy consumption of various industrial processes by optimisation and replacement of physical products, travel substitution, transportation optimisation and impacting behaviours and preferences. This has helped to promote resource-efficient urban infrastructure with a smaller carbon footprint, guiding a way towards a circular economy that utilises resources more sustainably.

The nature and scale of operations may not have critical implications for the environment and natural resource management as compared to other sectors like manufacturing, real estate, automobiles, mining and processing. The ICT sector provides an array of technologies and solutions like crowd sourcing, sensor and IoT based solutions, GPS enabled systems and online data management to cater to optimised decision support system accelerating upscaling of services in health, education, financial services, smart agriculture, smart cities and low-carbon energy systems.

### Digital ecosystems will be the driver of business value in future

Increasingly, enterprises continue to rely on their digital ecosystems to innovate, grow, and transform their businesses. This encompasses both their technology and their physical "extranet" (supply chain, vendors and partners), an extended universe which is also rapidly digitising.

<sup>2</sup> <https://www.statista.com/statistics/328003/wireless-subscribers-in-india/>

<sup>3</sup>IDG - 2021 State of the CIO <https://www.idg.com/tools-for-marketers/2021-state-of-the-cio/#::-:text=Due%20to%20the%20impact%20of,for%20business%20growth%20and%20maintenance>

- An effective and productive digital ecosystem will be the bedrock for business innovation and growth. Tata Communications enables enterprises to achieve this by connecting the ecosystem - employees, customers, partners, vendors and supply chain.
- Tata Communications envisages its role as a digital ecosystem enabler, interconnecting and aggregating value from various ecosystem features with its own. This empowers customer platforms to provide context-aware, intelligent, resilient solutions to drive long-term value.
- According to a study by McKinsey, for about 32% of the CIOs the top technological concern in the new normal is collaborative tools, guides, training, and operating norms and for ~12% CIOs cybersecurity is the top concern.

**Greater competition also requires greater collaboration**

The digital ecosystem is an operating environment that continues to be highly competitive and increasingly complex for customers to navigate for the following factors:

- Hyper-scale cloud service providers such as Amazon, Microsoft, Google etc., are evolving into the

traditional telecom industry with bundled cloud and network offerings. These technology-companies are increasingly investing in the underlying infrastructure.

- System Integrators ('SIs') too, are competing with telecom players for overseeing customer relationships as they continue to grow their managed services portfolio.
- Product OEMs are particularly active in the overlay services play like SD-WAN.
- Pure-play technology vendors are offering services directly to enterprises in niche areas.
- There is increased competition from conventional telecom companies as well, especially in India. Following the Indian telecom sector consolidation, consumer mobility players have increased their focus towards serving enterprises.

As a digital ecosystem enabler, Tata Communications places the customer's business needs at the heart of everything and brings it together into a cohesive solution across varied components, thus precluding the need to deal with various components individually.



**Organisation Overview**

**In today's digital economy, Tata Communications is positioning itself as a digital ecosystem enabler assisting enterprises globally in their digital transformation journeys.**



Through our global digital infrastructure, we enable the digital transformation of enterprises, including 300 of the Fortune 500 companies, helping businesses by enabling borderless growth, boosting product innovation and customer experience, improving productivity and efficiency, building agility and managing risk.

With our solutions orientated approach, proven managed service capabilities and cutting-edge infrastructure, we drive the next level of intelligence powered by our platforms, solutions and services including next generation connectivity; mobility and IoT; collaboration; cloud, edge and security; NetFoundry™, and voice.

We power over 30% of the world's internet routes, connecting businesses to 80% of the world's cloud giants and 4 out of 5 mobile subscribers. Our global network is built one of the world's largest wholly owned subsea fibre network which underpins the internet backbone. Over the last 25 years, enterprise-enabled services have been essential to the adoption of digital services in the country.

From utility to transformation, connectivity is an essential fabric of sustenance for the economy. Tata Communications is committed to enabling industry leaders in this New World of Communications™, with our unique promise of delivering Secure Connected Digital Experiences. Our goal is to enable enterprises to adopt new digital working models, accelerate their time to

market and drive agility and resilience, giving them the tools to innovate, invent, and redefine their employee, customer and supply chain experience.

We are simplifying the design and management of digital solutions for our customers and provide them the ability to concentrate on their core business with ease by unlocking opportunities that digital transformation provides.

Along with our globally established subsidiaries and associate companies, we serve customers in more than 190 countries and additional dependent territories worldwide leveraging our technology capabilities and partnerships.

**VISION, MISSION, VALUES AND STRATEGY**

**Vision**

To deliver a New World of Communications™ to advance the reach and leadership of our customers as a global digital ecosystem enabler.

**Mission**

To enable enterprises to succeed in the new world of digital (technologies and business models) by being borderless and always available (to our customers and partners).

**Shared Ambition**

To achieve profitable growth and become a leading digital ecosystem enabler in the eyes of our customers, and the industry.

**Values**

- Leadership with Trust
- Tata Group values
  - a. Integrity
  - b. Pioneering
  - c. Excellence
  - d. Responsibility
  - e. Unity

**Our Culture**

DRIVE - Daring, Responsive, Inclusive, Venturing, Ethical

**D**aring | **R**esponsive | **I**nclusive | **V**enturing | **E**thical

We are further sharpening our values to align with the #reimagined strategy with the 6 tenets

- 1 Ownership & Accountability
- 2 Collaboration
- 3 Can do attitude and growth mindset
- 4 Being Agile
- 5 Continuous learning and skills transformation
- 6 Innovation and problem solving



We help businesses manage the complexities of embracing digital transformation and unlocking the opportunities it brings by:

<p><b>BORDERLESS GROWTH</b></p> <p>Enabling growth across new geographies, markets and segments</p>	<p><b>ENHANCE PRODUCTIVITY AND EFFICIENCY</b></p> <p>Enabling stakeholder collaboration and workplace scalability through seamless multi-platform integration</p>	<p><b>BUILD AGILITY</b></p> <p>Enabling agility to respond to changing market dynamics by providing secure access to applications and data, and rapidly develop new revenue streams</p>
<p><b>DELIVER CUSTOMER EXPERIENCE AND PRODUCT INNOVATION</b></p> <p>Increase customer engagement, awareness and loyalty through a seamless omni-channel experience platform</p>	<p><b>MANAGE RISKS</b></p> <p>Ensuring business continuity by securing data and applications against external threats as well as adherence to regulation, policies and guidelines without compromising performance</p>	

**SECURE CONNECTED DIGITAL EXPERIENCE (SCDx)**

**Strategy**

Our strategy addresses three interlinking components:

- **Financial fitness**, which is about getting our balance sheet healthy and achieving double-digit profitable data revenue growth.
- **Our growth plan**, which will move us towards our ambition of being recognised as a leading digital ecosystem enabler.

Our growth plan addresses:

- o the **who (superior customer experience)**,
- o the **what (platforms, solutions and services)** and
- o the **how (the right operating model and our commitments in Sustainability, Innovation and Artificial Intelligence)**.

- And underpinning this is **our culture**, which embraces the behaviour shifts we need to collectively make to achieve success.

We are working closely with our customers to create complex solutions that cut across products and deliver it seamlessly; aggregating the capabilities we have and bringing it to the core, in order to deliver real value and superior experience to our customers.

We plan to generate investments in services through leading technological innovations and seek to enhance the existing offerings and optimise our assets. Through these innovations, we estimate an increase in demand for our services and expansion of our market presence as well.

These strategic shifts need to interlock and work in harmony as a complete whole for our strategy to be successful and help realise our shared ambition.

Our strategy shifts are focused on:



**MANUFACTURED AND INTELLECTUAL CAPITAL**



**Customer Segmentation**

Being a key global player in the industry in which we operate, we offer products and services to three customer segments:



**Enterprises**

Particularly among enterprises, digital transformation is rapidly changing the way businesses are run with the Covid-19 pandemic accelerating the shift toward hybrid work models and e-commerce.

Digitisation brings transformation across industries and functions with unparalleled opportunity for value creation and capture. Enterprises recognise the strategic implication of this and are designing digital transformation strategies to realise the maximum benefit from these opportunities, at times when specific sectors need to re-invent themselves and respective business models to overcome the pandemic turmoil.

It is no longer just a driver of marginal efficiency but the key to enabling borderless growth, boosting product innovation and customer experience, improving productivity and efficiency, building agility and managing risk. These five customer drivers offer a set of opportunities for us to provide differentiated platforms, solutions and services for our customers. We aim to be the partner of choice in the digital transformation journey of our customers and are well positioned to enable workforce collaboration, enterprise mobility and provide omni-channel access to end-customers.

In order to capitalize on the disruptive changes and opportunities triggered by the Covid-19 pandemic, we have further segmented our Enterprise route to market by targeting specific verticals and sectors beyond Media. We have added 3 dedicated sales teams responsible for Cloud Service Providers; Automotive and Telematics, where the last two are both key targets for our MOVE™ services.

**Service providers**

The service provider segment is driven by growth in data consumption world-wide, primarily driven by consumers. To support the segment, we offer an integrated set of services covering:

- Wholesale voice
- Domestic and international data connectivity - Internet backbone connectivity (IP transit)
- Value-added roaming services for mobile operators
- Carrier-specific business process outsourcing services

We provide platforms which are reliable for service providers and keep their business relevant and in-tune with market dynamics and end-user demands.

**Hyperscale Cloud Providers (Over-the-Top players - OTTs)**

OTTs are a fast-growing segment which are dominating the bulk of the world IP Traffic. We offer the OTTs a set of connectivity services across the globe.

- Point-to-point network connectivity in India and globally

- Sub-sea cable capacity for inter-continental needs
- Inter-city and intra-city data centre to data centre connectivity

We enable OTTs to address the spurt in global growth in data consumption in a reliable and scalable manner.

**Business Segments: Voice and Data Services**

With the endeavour to diversify our presence in the digital ecosystem as well as sustain our long-term growth, we continue to capitalize on emerging opportunities and new possibilities by investing in newer business segments. This enables us to mitigate the risk of being over-dependent on a concentrated portfolio or any one geography. Leveraging the shift to cloud-first, internet-first strategies, we are innovating across our portfolio to offer solutions that are tailored to this new digital-first world. With revenues categorised and spread across the segments of voice and data services, we drive the next level of intelligence powered by our platforms, solutions and services including Next Generation Connectivity; Mobility and IoT; Collaboration; Cloud, Edge and Security; NetFoundry™, and Voice.

The Covid-19 pandemic forced businesses around the world to adapt suddenly to survive the huge disruption. In response to this, we launched a suite of solutions to help customers navigate the situation like Secure Connected Digital Experience, Broadband on Demand, DC inter-connectivity etc.

**84%**

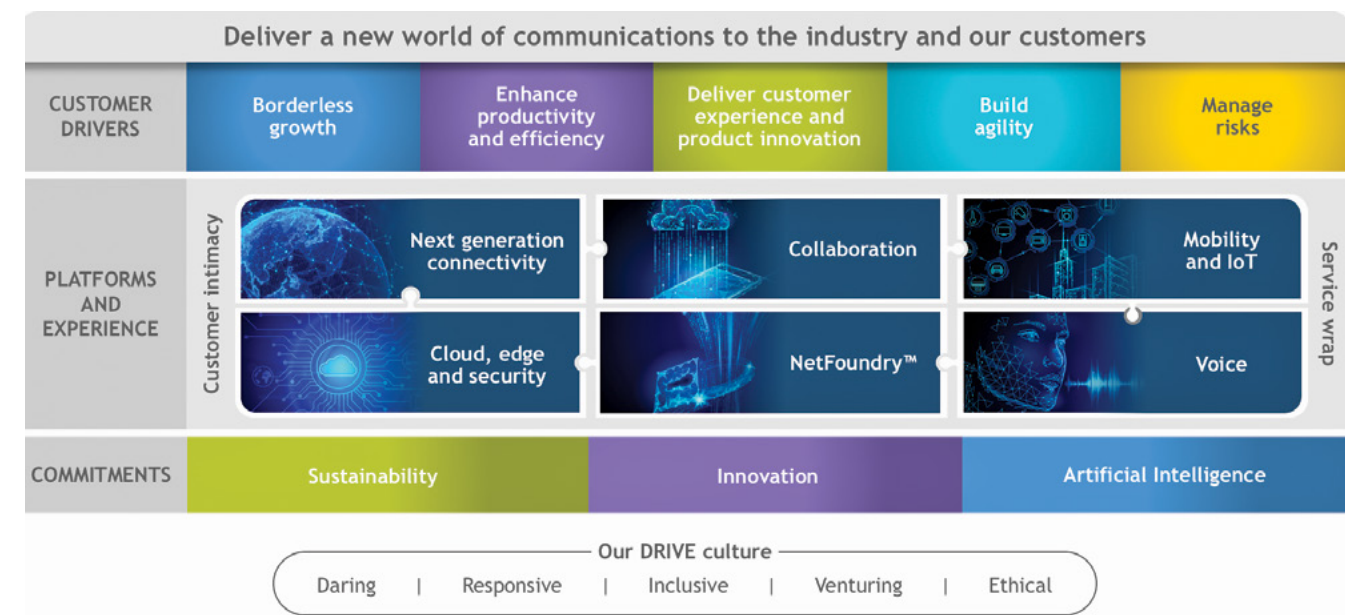
**Of the consolidated revenue contributed by data services in FY 2020-21**

**Platforms, Solutions and Services**

With our solution-oriented approach and proven managed service capabilities and cutting-edge infrastructure, Tata Communications drives the next level of intelligence powered by our platforms, solutions and services to help customers stay ahead of their competition by embracing digital transformation and adopting cutting-edge technology.

All Tata Communications' platforms, solutions and services are underpinned by our global network. It includes one of the most advanced and largest subsea fibre cable networks, which shares around 30% of the world's Internet routes, connects businesses to 80% of the world's clouds, and enables businesses to reach more than 190 countries and territories.

It includes one of the most advanced and largest subsea fibre cable networks, which shares around **30%** of the world's Internet routes, connects businesses to **80%** of the world's cloud giants





**Data Services**

We are a data services industry leader in India and an emerging challenger globally.

- Connectivity services portfolio**

- Service Provider data**

Tata Communications is one of the world's leading wholesale providers of data, IP and mobile signalling services. The Tata Communications Global Network (TGN) and our investments in multiple consortium submarine cables enable us to provide seamless global connectivity services across all major business hubs.

**4 out of 5**

**Mobile subscribers worldwide are provided direct connectivity coverage**

- Enterprise data**

Our network services address four broad categories of connectivity needs for enterprise customers: Ethernet, dedicated point-to-point connectivity (IPL or NPL), Internet (IP-based) connectivity, multi-location connectivity through Global Virtual Private Networks ('GVPN'), IZO™ WAN (which encompasses hybrid WAN connectivity, IZO SD-WAN and Cloud Connect services ) and IZO™ Private Connect (connecting enterprise WAN to cloud), enabling enterprises to transform their network to adopt cloud, internet and software-defined services.

**Recognition:** Leader in the 2021 Gartner Magic Quadrant for network services (global) for the eighth year in a row

**Largest:** We operate one of the largest wholly owned and most advanced subsea fibre network which underpins the internet backbone, where our network shares around 30% of the world's internet routes.

This portfolio also includes Video Connect, our flagship fibre based global media transport network to over 300 media hotspots across 125 cities supporting broadcast quality real-time video, optimised for enterprise demands. This dedicated media network promises the highest quality of service, with built-in redundancy and flexibility across all major video formats. Its

scale and interoperability makes it future-ready, and the managed services layer give customers peace of mind.

**300**

**Media hotspots across 125 cities in the world**

Our Enterprise and OTT segments witnessed strong growth in FY 2020-21 with revenues from our Traditional Connectivity Services portfolio clocking in at ₹9,065 crores in FY 2020-21, showing a growth of 5.6% year-on-year. Revenues from Traditional Services accounted for 63.4% of the total revenues from Data Services in FY 2020-21. EBITDA for this portfolio increased by 20.7% as compared to FY 2019-20, coming in at ₹3,908 crores as compared to ₹3,237 crores in the previous financial year.

- Mobility and Internet of Things - Innovation data services portfolio**

- MOVE IoT**

Platform enabling intelligent, agnostic and network independent global cellular connectivity.

Tata Communications MOVE™ combines access to pervasive cellular connectivity with over 600 mobile networks across more than 190 countries, coupled with a programmatic API based platform as-a-Service communications model. It is now well established as a leading multi-network connectivity platform for cellular based IoT services. The service has gained significant customer adoption and grown strongly since its launch in 2017. Among our customers are leading global airlines who leverage our platform - with global mobility coverage optimized to airline destinations, for digital transformation programs that include projects like Electronic Flight Bag ('EFB'), ancillary programs containing passenger connectivity, smart aircraft updates, etc.

**~200**

**Customers in 5 continents on our MOVE™ platform**



- India IoT**

Enterprises and Governments are progressively adopting digitalization to enhance efficiency and productivity. Internet of Things ('IoT') is the next frontier of automation with public and private sector enterprises, and cities recognizing the impact it can have in achieving their efficiency and sustainability goals.

Tata Communications' Internet of Things has been focused on Indian market and is now poised to explore international opportunities. We are playing a pivotal role in the digital transformation of Enterprises/PSUs across sectors and smart utility services of Government's flagship Smart City programs.

We are continuously investing in solution capabilities including Devices/Sensors, IoT Network and Cloud Infrastructure, Applications, and Analytics. Our end-to-end offerings combined with managed services model augmented by strong solutioning capabilities and dedicated LoRaWAN network (spread across 45 cities in India) makes us a preferred partner for customers' IoT solutions requirements.

FY 2020-21 has been the year of scaling our solutions with customers and our business has grown 173% YoY. Along with this scaling we have also continued to expand our products and solution portfolio.

Our flagship Connected Worker Solutions have been instrumental for enterprises looking to

enhance their worker productivity. We are actively working to expand this portfolio to bring about enterprise resource efficiency across other key pillars which includes machines, materials, and facilities. All these solutions combine to form our growing Connected Operations Solution Portfolio. This is augmented by an analytics layer to provide data driven insights which yields actionable acumen for business decision making.

Given the massive acceleration of digital transformation in organizations to bring resilience and efficiency, we leveraged agile product development practices and innovated on our SAFEPASSTM offering to deliver a contact tracing and social distancing solution for enterprises to enable business continuity during the pandemic.

We launched IoT Fabric proposition which is a single platform to manage connectivity and data from any IoT device and enables users to manage lifecycle of their entire IoT use-case. It augments a wide range of end-to-end solutions and applications on Connected Operations related use-cases.

We will continue to strengthen our applications and hardware platform to offer access agnostic services, analytics capabilities which will help us develop and deploy end-to-end IoT solutions at scale in conjunction with ecosystem partners. Overall, we aim to provide enterprises the flexibility to address a larger set of use cases and pain points while keeping the implementation simple which will help speed-up the adoption.

• **Collaboration services - Growth data services portfolio**

Tata Communications provides unified communications and collaboration solutions for enterprises, as well as communications service providers. Riding on the core capabilities of voice calling; SIP trunking; conferencing (voice, data, web, video); and cloud-based Contact Centre as a Service (InstaCC), Tata Communications has evolved into an Enabler of cloud strategies and digital transformation - delivering secure and connected digital customer and employee experience.

Our global Unified Communications as a Service ('UCaaS') offerings provide comprehensive solution design, transition, and managed services around Microsoft Teams, Cisco Webex Teams, and hybrid collaboration solutions, to meet an organisation's collaboration needs.

Microsoft Teams Global Managed Services is a carrier-grade, cloud based, end-to-end UCaaS solution. It provides global reach and a guaranteed service level agreement for consistent quality of service. Tata Communications offers a one partner, one vendor solution for optimised delivery and managed outcomes.

Tata Communications is one of only five Cisco partners that can offer the entire Cisco Collaboration Platform and Cisco Powered Solutions on a global scale. From 'video everywhere' capabilities to fully-managed meetings and calls, we deliver enhanced performance and ensure low latency for the optimum collaboration experience.

We have our own communication infrastructure, which offers significant cost and Quality of Service ('QoS') advantages, and means we can deliver dependable, carrier-grade connectivity to the world's major cloud services. It allows organisations to rapidly harness the full power of these platforms, and get a return on their investment, with minimal risk.

Tata Communications is one of only five Cisco partners that can offer the entire **Cisco Collaboration Platform** and **Cisco Powered Solutions** on a global scale.

Tata Communications enables Digital Customer Experience through our Vertical Cloud Contact Centre Solutions and Services. The InstaCC family of hosted contact centre solutions delivers true omni-channel capability for a richer, highly differentiated customer and employee experience. Tata Communications delivers services globally, both on its own InstaCC platforms, as well as partner platforms such as Cisco WebexCC and Amazon Connect, with global reach and end-to-end management for superior service levels, even for contact centres spanning multiple regions and home-based agents.

Our Global SIP Connect portfolio delivers global, carrier grade voice services to enterprises, contact centres, and increasingly to Cloud Applications Service Providers ('CASPs'). As the bedrock foundation of Tata Communications' portfolio, voice services have leveraged APIs and automation to capitalise on the historic shift to the cloud seen in the industry today.

• **Cloud, Edge and Security - Growth data services portfolio**

Tata Communications' IZO™ Cloud platform is the most comprehensive platform of its type available today. A unique combination of innovative hardware and intelligent software topped with our industry awarded managed services, our cloud platform solution is designed to bring together an agile IT ecosystem with hybrid multi-cloud environments, security and network.

IZO™ Cloud platform includes: IZO™ Private Cloud, IZO™ Cloud Storage, IZO™ Managed Cloud, IZO™ Cloud Containers, IZO™ Cloud Analytics and Disaster Recovery.

As part of our long-term commitment to offering global security services that are cloud-delivered we have established ourselves as a strategic partner for enterprises to manage cyber risks, globally. Our state-of-the-art advanced Cyber Security Response Centres ('CSRCs') help deliver a comprehensive portfolio of cyber security services. These services help simplify complexities, manage cyber risks and evolve security maturity.

Our proactive approach using real-time security analytics allows us to provide our customers with advanced intelligence that enables them to keep their network and digital estate secure. This is supported by unparalleled visibility of global network traffic flows and embedded attack patterns derived from the security big-data cloud.

**Recognition received**

**2020 IDC MarketScape for Asia/Pacific Managed Security Services Vendor Assessment** - One of the 'Major Players' in Asia/Pacific

**Frost & Sullivan: Indian Managed Security Services Market, Forecast to 2023** - Leading Managed Security Services Provider in India

**451 Research Market Impact Report** - Tata Communications' managed security services aim to integrate security across hybrid environments

**DSCI - Cyber services Excellence Award 2020** - India's leading cyber security services player

**Connects businesses to**

**80%**

**of the world's cloud giants**

Our Growth Services portfolio recorded revenues of ₹3,406 crores during FY 2020-21, witnessing a growth of 7.1% year-on-year. EBITDA for Growth Services portfolio increased by 128.5% as compared to FY 2019-20, coming in at ₹454 crores as compared to ₹199 crores in the previous financial year on the back of strong profitable growth.

Revenues from our Innovation Services portfolio came in at ₹128 crores for FY 2020-21 as compared to ₹110 crores in FY 2019-20.

Revenues from Growth Services accounted for 23.8% of the total revenues from Data Services portfolio in FY 2020-21.

• **NETFOUNDRY™**

NetFoundry™, a software and business developed as part of Tata Communications' Shape the Future innovation and entrepreneurship programme, became an independent subsidiary within the Tata Communications Group w.e.f. September 2019.

The NetFoundry™ platform eliminates the complexity and cost of traditional business networking. It spurs innovation by enabling customers to programmatically embed private networking into their applications and solutions, with application providers, cloud and system integrators, managed service providers and leading-edge businesses becoming able to deliver applications across any set of edges and clouds, with zero trust security and optimised performance, and without relying on configuration, private circuits or custom hardware.

**Voice Services**

We continue to be one of the largest players worldwide in the wholesale voice industry. Despite the global decline of this market, we continue to hold the leading position in this business.

**#1**

**in wholesale voice for over 20 years**

**18.2 billion**

**Minutes of international voice traffic serviced in FY 2020-21**



The revenues from Voice segment for FY 2020-21 aggregated to ₹2,791 crores as against ₹ 3,376 crores for the previous year. The EBIDTA also witnessed a decline to ₹172 crores for FY 2020-21 from ₹263 crores in the previous year. The decline has been largely due to technology shifts in -line with industry trends.

#### International Long Distance (ILD)

Tata Communications is the world's largest carrier of international wholesale voice traffic, and has its most advanced intelligent routing platform to enable quality and differentiated voice services. We have over 300 direct routes with leading international voice telecommunication providers. The wholesale international voice business is mature and increasingly commoditised. Our strategy is to grow our leadership position while optimising traffic volumes, and maximising margins and cash flows.

In 2020-21, Tata Communications handled approximately 18.2 billion minutes of international voice traffic globally, a decrease of 19% over the previous year (22.6 billion minutes in FY 2019-20).

#### National Long Distance (NLD)

Our NLD traffic decreased from 0.7 billion minutes in FY 2019-20 to 0.5 billion minutes in FY 2020-21. Mobile Network Operators ('MNOs'), however, continue to expand and roll out their domestic networks, shrinking the market for our NLD services. The consolidation of the India domestic telecom market to a limited number of players that all have large India network is resulting in the elimination of this market. Given this trend, we expect this business to be continue to be minimal in FY 2021-22.

#### Application to Person ('A2P') Messaging Services (Mobile Messaging Exchange / MMX)

We continue to remain a significant player in the A2P Messaging ecosystem. Some of the largest OTT players, social networking sites and ride-share services trust Tata Communications' A2P Messaging services. We have expanded our direct reach to over 320+ mobile operators, making us one of the most trusted partners for delivery of critical transactional traffic worldwide.

**2.24 billion**

International A2P SMS transited via MMX



We have over **300 direct routes** with leading international voice telecommunication providers.

#### Vertical Industries

##### Automotive IoT Solutions

We offer customised solutions and managed services to the automotive industry.

With the introduction of driver assistance services, V2X, autonomous vehicles and a range of infotainment and extended eco-system connectivity models, the automotive industry is opening new territory in driver experience and commercial service interactions. Tata Communications MOVE™ Intelligent Connected Vehicle Platform provides a cloud-based platform, to connect and manage vehicle assets and enable real-time data connections across the world.

##### Fast Facts:

- Tata Communications MOVE™ Intelligent Connected Vehicle Platform delivers the highest levels of control, visibility and reporting.
- Quality of service metrics and monitoring to furnish the highest customer experience.
- Enabling 122 markets for automotive sector.

#### MEDIA AND ENTERTAINMENT SERVICES ('MES')

Tata Communications' MES is a comprehensive platform for global media supply chain workflow including contribution, processing and distribution. Our infrastructure spans the world to allow end-to-end content delivery at any scale. Our technologies enable consistency, reliability and speed of content dispersal via our core product areas: Video Connect and Cloud Based Media Ecosystem.

Tata Communications offers customised video network transmission solutions and managed services to the media and entertainment industry. Our strategy in this space is to create the world's richest, connected, open media ecosystem providing business-to-business video services, cloud-based services and flexible, modular, managed services.

Tata Communications' world-leading Video Connect Network and cloud-based Media Ecosystem enables the entire content pipeline from origination to distribution and connects content producers with technology providers, distributors and consumers.

#### Tata Communications has supported global distribution of:

- Over 9,000 live events
- 700 TV channels
- 60,000 hours of live events
- Reaching 2bn+ sports fans across various broadcast platforms



#### Business Excellence

For Tata Communications, business excellence is much more than having a quality system in place. For us, business excellence is aimed at developing and strengthening our organisation's key management systems and processes to continuously improve its performance and create greater value for our stakeholders. To achieve this, Tata Communications leverages the 'Tata Business Excellence Model' ('TBEM') which is drawn up on the lines of Malcolm Baldrige Business Excellence Framework.

TBEM has provided us a framework for improving our business processes across various areas of the organisation covering Leadership, Strategy, Customer, Measurement, Analysis and Knowledge Management, Workforce, Operations and Business Results. Management of various Quality Management Systems of the organisation, such as TL9000, ISO27000, CMMI to name a few, are emphasized and addressed under the 'Operations' focus-area of TBEM.

The model requires us to go through a rigorous assessment of our key processes and associated results every two years. These progressive assessments have enabled us to evaluate current maturity of processes and results, thereby guiding the organisation to higher levels of excellence in a systematic journey of progress.

During 2019 and 2020, Tata Communications underwent two deep dive assessments – one in the area of Data and Analytics Operations using DATOM (Data and Analytics Target Operations Model) and the second for evaluating our strategy planning processes to understand and bridge the gaps in our business strategies.


**FINANCIAL CAPITAL**


Over the years, we, at Tata Communications, have remained committed to drive sustainable value creation by leveraging our customer-centric, agile and resilient business model. Our solutions and inherent value proposition are being appreciated by our customers and our pipeline is building up. Internally, we have taken steps to ensure that we are fit to compete in the market and fit to grow the business and expect revenue growth to pick up as things start to normalise and economic activity picks up.

We manage our financial capital in an optimum and diligent manner with emphasis on the efficient capital allocation and margin expansion. We focused on the right operating structure for the organisation and brought efficiencies into the business. This has led to expansion of margins, robust generation of PAT and free cash flow and improved return ratios.

Our continuous efforts to be financially fit have not only led to a strong cash flow generation but also a reduction in our debt position. We have been able to move towards a healthy balance sheet which gives us the impetus to compete in the market and invest in our growth. Our focus on generating and communicating economic value is reflected in our financial performance with a consolidated revenue from operations of ₹17,100.10 crores and a consolidated EBITDA of ₹4,260.58 crores.

We have been able to move towards a **healthy balance sheet** which gives us the impetus to compete in the market and invest in our growth.

**Financial Performance (Standalone)**

Particulars	FY 2020-21	FY 2019-20	YoY growth (%)	Reasons for deviation more than 25%
Net Revenue (₹ in crores)	6,225.32	5,750.33	8.26	-
EBITDA (₹ in crores)	1,983.54	1,572.06	26.17	Mainly due to increase in revenue
PAT (₹ in crores)	962.66	208.78	361.09	Mainly due to increase in revenue in current year. Previous year includes an exceptional loss of ₹346.15 crores.
Debt equity Ratio (in times)	0.06	0.07	(9.71)	-
Interest coverage Ratio (in times)	18.58	28.46	(34.72)	Mainly due to increase in finance cost
Current Ratio (in times)	0.87	0.65	34.16	Mainly due to decrease in short term borrowings and increase in current investments
Debtors Turnover (in times)	5.21	4.43	17.63	-
Operating Profit Margin (in %)	16.23	10.34	57.00	Mainly due to increase in revenue
Net Profit Margin (in %)	15.46	3.63	325.91	Mainly due to increase in revenue in current year. Previous year includes an exceptional loss of ₹346.15 crores.
Return on Net worth (in %)	10.62	2.54	318.07	Mainly due to increase in revenue in current year. Previous year includes an exceptional loss of ₹346.15 crores.

**Outstanding debt**

As of March 31, 2021, the outstanding principal amount of debt was approximately ₹580.76 crores on a standalone basis and ₹9,962.78 crores on a consolidated basis. Considering that all long term debt maturing in FY 2021-22 has already been refinanced and the current liquidity

position combined with available bank lines, Tata Communications, in the normal course, is not expected to resort to raising any material long term debt in the near future.



**NATURAL CAPITAL**



We believe that digital transformation does more than making a switch to upgraded technology, it enables a shift to a sustainable reality. It pushes us to relook at the way things are and create alternate solutions to make things better. As one of the three key pillars of our sustainability strategy, the planet and its health is vital for our collective future. With the right balance between planet and people, we believe sustainable growth and prosperity for all are inevitable. We are dedicated to use our capabilities to help mitigate the impact of climate change and enhance resource conservation.

We have an Environment Policy which states our commitment to design services which are safe to use, and to not cause any environmental hazards. Our efforts are to minimise use of energy and other resources, and to enable recycling or reuse of resources.

As a continual improvement plan, we have established an Environmental Management System ('EMS') in accordance with ISO 14001:2015 requirements and 14 of our Indian facilities have been certified for the same. The ISO 14001 standard helps us to regularly review the EMS, with programmes in place to mitigate the identified environmental aspects and impacts of our operational activities and services. We review the environmental

objective and targets, training plans; and need and expectations of our stakeholders in a comprehensive manner. The review and governance mechanism of EMS includes Top Management Review (annually), Management Representative and Deputy Management Representative review (half-yearly), and routine review with Corporate Services (monthly). Over and above, we review our progress on EMS, Sustainability Objectives and Targets and key projects and initiatives on environmental aspects at both, Sustainable Development Committee and its Sub Committee levels on a periodic basis.

As a business, we are working towards climate change and natural resource conservation strategy by improving upon the following priority areas:

**With the right balance between planet and people, we believe sustainable growth and prosperity for all are inevitable.**

**01**

**Increasing Renewable Energy ('RE') footprint and reducing our Greenhouse Gas ('GHG') emissions.**

At Tata Communications, we consume nearly 163 million KWH of energy globally, mainly comprising of indirect power supply (83%) from the national grid while the rest comes from conventional sources and from renewable energy sourced from third party / in-house. In our operations across the globe, almost 14% (-23 million units) of the electricity used in the reporting period was procured from either wind or solar energy. Out of this, 20.2 million units were sourced for Indian operations while 3 million units were sourced for international operations.

Our total GHG emissions [Scope-1: Direct emissions from our own operations (Diesel Generator sets fuel and emissions from Ozone Depleting Substances) and Scope-2: Indirect emissions from the generation of purchased energy] are detailed below-

Type	Source	GHG Emissions* (Tonnes of CO2e)	
		FY 2020-21	FY 2019-20
Scope -1	Emissions arising from the consumption of fuels like diesel, and use of refrigerant gases	5,559	6,381
Scope-2	Emissions from consumption of grid electricity	94, 312	108,482
<b>Total</b>		<b>99,872</b>	<b>114,863</b>

We periodically report on environmental stewardship and actions to manage climate change through the Carbon Disclosure Project - CDP (a network organisation which works with shareholders and corporations to disclose the GHG emissions of major corporations). Tata Communications has received a score of 'A-' Grade, which is within the Leadership band. Our rating has improved as compared to previous years and we have scored our highest rating in Climate Change Governance, value chain management, energy efficiency, risk and opportunity disclosures in CDP 2020 reporting. Our CDP submissions are available on [www.cdp.net/en](http://www.cdp.net/en).

**Low Carbon and Green Products and Solutions**

As an environment conscious organisation, we carried out carbon value chain assessment to understand the

environmental benefits provided by our low carbon products and solutions at our customer / client end. The study included selective low carbon products and services from our Network Services, IoT, MES, Cloud and Business Collaboration streams deployed in FY 2019-20 and were mapped with Tata Communications' own operational GHG Emissions (Scope 1 and 2) in FY 2019-20. The study confirms that the potential GHG emission reductions through Tata Communications' low carbon products and solutions was around 390,000 metric tonnes of CO2e, which works out to estimated carbon savings of three times the emissions produced by operations of Tata Communications in FY 2019-20. This report was also assured by a third party.

More details on our Renewable energy efforts can be referred from Sustainable Development report <https://www.tatacommunications.com/about/sustainability/>

**02**

**Conservation of energy**

Our energy consumption over the years has decreased as we have expanded our focus towards optimising energy efficiency with an aim to continuously measure energy consumption, while also identifying any leakages in our operating procedures. This year, our Indian (Facility Infrastructure Management) operations identified a total of 70 opportunities involving projects related to Heating, Ventilation and Air Conditioning ('HVAC'), Switched-Mode Power Supply ('SMPS') and Uninterruptible Power Supply ('UPS') efficiency enhancement / Optimization and consolidation, Smart Lighting (Conversion of conventional lighting into LED), usage of IoT and reduction in State Electricity Board ('SEB') contract demand. Out of the 70 identified opportunities, 51 projects stand completed, and we have achieved savings of around 4.30 million KWH with annual savings of ₹4.15 crores. Our Metro Area Network ('MAN') and NLD Operation teams completed 5 projects leading to energy savings of 96,600 KWH.

We are constantly updating our data centres with more efficient technologies to enhance the Power Unit Effectiveness ('PUE') value of our facilities. We work towards PUE enhancement projects in all facilities to achieve the industry benchmark of 1.59. Overall, the Facilities Infrastructure Management ('FIM') team manages 26 critical networks / business locations where the average current PUE has improved from 1.8 to 1.7 since FY 2019-20. For more details refer to our Sustainable Development report <https://www.tatacommunications.com/about/sustainability/>

## 03

## Other interventions on Climate Action

## a. Carbon Community offsets:

To meet the twin objective of climate action and creating a positive impact in the communities, we are working on carbon community offset projects. We have identified the projects for which feasibility analysis will be conducted in FY 2021-2022 including baseline and community need assessment. Based on such assessments, projects will be identified to fit our vision and community needs. Identified projects will go through validation - both financial and operational. Subsequently, feasibility will be assessed for these projects and after validation by all stakeholders, the projects will move towards implementation.

## b. International Operations:

Our international operations are also working towards energy conservation projects and have reduced power consumption by about 3% as compared to FY 2019-20. To increase the RE percentage in International operations, we are engaging with consultants to seek more avenues and opportunities that can be undertaken to achieve the intended goal of increasing our RE footprint in our facilities across the globe.

## c. Advocacy and Expert opinion:

Apart from operational improvements, we are working to improve our advocacy relations to overcome the regulatory and institutional challenges especially on the RE front. With the roadmaps envisioned by the internal teams on climate action, we have a host of initiatives in the pipeline for which we are actively seeking partnerships and expert opinions to not only build the capacity of internal teams but also to work towards innovation and research and development. In the coming years, these interventions are expected to provide us with in-depth knowledge and help us in expanding our horizons towards climate action.

the amount of fresh-water consumption by ensuring maximum recycling and reuse of water.

Our facilities in India exist in areas that face water scarcity. Most of our water usage is for office and catering facilities, or in HVAC systems to support cooling equipment. Even though our operations are not as water intensive as those of manufacturing industries, we consider it to be a material aspect and have undertaken steps for water conservation across our facilities. Since many of our international operations facilities are on lease, we consider water as a material issue for our Indian operations.

During FY 2020-21, we drew nearly 631,000 cubic meters of water (including requirement for our customers), of which 91% was from municipal facilities, 8% from third-party tankers and bottled water and the remaining 1% through rainwater harvesting and ground water extraction.

We conduct a Water Risk Assessment exercise regularly, which helps us to improve our internal processes and facilitates identification of inefficiencies in water use or distribution system. Our Water Risk Assessment exercise for all major facilities was revisited during FY 2020-21, wherein sites falling under critical results were asked to set up objectives and targets along with plans to conserve and improve water recycling in their region.

Our operations and facilities align with the '3R' resource management strategies: **Reduce, Reuse** and **Recycle**.

In a water-stressed country like India, recycling and efficient use of water is crucial. Therefore, we have installed waste-water treatment plants at most of our facilities where the waste-water generated is treated through Sewage Treatment Plants and recycled for other domestic applications such as gardening and water sprinkling etc. For some sites, treated water is discharged to the municipal drains after complying with all regulatory requirements. During FY 2020-21, we recycled nearly 50,175 cubic meters of water for reusing.

To further account for our consumption at each activity level, we are automating and installing water metres at all our facilities. With the success of the pilot project (IoT water monitoring project) at our Dighi campus, Pune (one of our largest campuses), we are installing IoT meters in the rest of our major facilities. The project will be implemented in FY 2021-22 and is expected to strengthen the monitoring of water losses and to help in substantial water savings in the facilities. Further to maximise the rainwater harvesting capacity, we have

conducted feasibility studies at 6 sites. Based on the results of the studies, the implementation of rainwater harvesting projects will also begin in FY 2021-22.

For more details refer to our Sustainable Development report <https://www.tatacommunications.com/about/sustainability/>

## 05

## Efficient Waste management

With large infrastructures across our facilities, effective waste management is an integral part of our sustainability strategy. We focus primarily on waste minimisation to reduce our overall waste generation. We also practice efficient and environment friendly end-of-life disposal methods to ensure the impact of the waste generated is minimum and also to reduce waste that enters landfills.

The non-hazardous waste generated at our facilities is municipal solid waste which is collected and segregated into various categories such as paper, food, plant thrush, plastic, metal, cartons, and more. We dispose the non-hazardous waste generated at our facilities through various channels such as recyclers and municipal corporations. We have installed Organic Waste Convertors ('OWCs') in all our major facilities to convert the food waste generated from our cafeterias into manure and to reuse it within the facilities. This has helped us in composting -37,000 kilograms of food waste.

To reduce our waste, we have implemented several initiatives such as replacement of plastic water bottles in our meeting rooms with glass bottles and switched to reusable ceramic or acrylic mugs in our cafeteria. Our Corporate Services team organises regular 'Awareness Sessions' for waste handlers within the facility to ensure proper waste management and minimise the risk of contamination and spill.

**Overall, in FY 2020-21, we recycled 33% of our 167 tonnes of non-hazardous waste generated from our operations.**

Apart from the non-hazardous waste generated from day-to-day operations, hazardous waste such as used oil, oil filters and oil-soaked cotton from diesel generator sets, used batteries from energy utilities and e-waste is generated from equipment such as desktop, laptops and other office and electronic equipment. We ensure adequate storage with secondary containments during the collection and handling of such hazardous waste and also ensure proper training of the waste handlers. The waste is disposed to authorised recyclers and processors through Metal Scrap Trade Corporation Limited and it is ensured all regulatory requirements of waste management rules of relevant regions or countries are followed.



To know more about our Natural capital (Environment) material aspects, performance and initiatives, please visit <https://www.tatacommunications.com/about/sustainability/>



## 04

## Reducing our water footprint

We recognise the value of water as an increasing global concern and are conscious of the impact of its use in our operational activities. Hence, we align our operations with the steps to minimise our water footprint and reduce

**RELATIONSHIP CAPITAL**

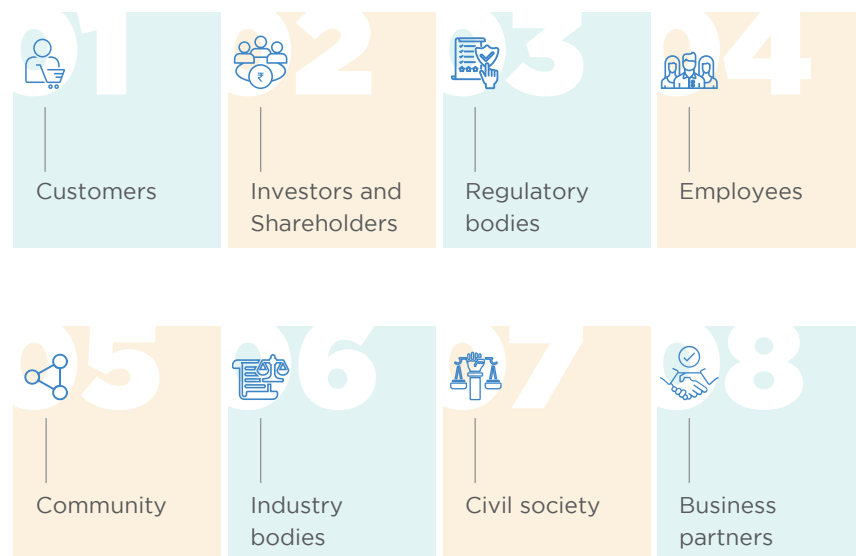


Our growth plan addresses the who (superior customer experience), the what (platforms, solutions and services) and the how (the right operating model and our commitments in sustainability, innovation and Artificial Intelligence) of our strategy. These strategic shifts need to work in harmony for our strategy to be successful.

To fulfil our shared ambition, Tata Communications engages with a diverse range of external and internal

stakeholders across all parts of our business. Our business teams, including Operations, Sales, Investor Relations, Legal and Corporate Secretarial, Corporate Communications, CSR, EOHS, Corporate Services, work closely with their associated stakeholder groups such as Investors, Regulatory bodies, Shareholders, Employees, Community, Industry bodies and civil society to monitor material aspects that interest stakeholders.

Our key stakeholders include:



Our teams systematically engage with different stakeholder groups and obtain their opinion with regards to what is most important for the organisation. The assessment provides critical clarity about how we should focus our resources, reporting and communications.

**Customers**

Providing a superior customer experience is at the core of Tata Communications' business model, organisation structure and investment decisions. The underlying principles of our strategy are staying relevant in the customers' digital ecosystem through our products and being able to stitch together multiple products to deliver a solution, thus solving customers' problems. Towards this, we reimagined our customer engagement model to deepen our relationship with customers. We aim to engage with our customers more intimately and be seen as trusted advisors in their digital transformation journeys. To deliver a superior customer experience, Tata Communications has adopted an agile and holistic approach by shifting from an individual product focus to an integrated customer solution focus - our platform model - so that our platforms stay relevant to our customers' digital transformation journeys. To further drive home positive returns, our focus is on simplifying the customer engagement process - to make it an easier process right from initial contact through the customer lifecycle.

**Brand Building**

**Leveraging social media platforms to strengthen communication with customers**

The primary objective behind our social media efforts at Tata Communications is to drive exposure to our business, amongst Prospects, Industry and Employees. Our social media strategies are aimed to help us increase exposure and traffic, develop brand awareness and loyalty, gain marketplace intelligence and support the lead generation and customer engagement processes.

Key focus areas that have helped us build an efficient social presence:

- 1. Brand Awareness** - Fresh, quality native content created with an audience first mindset, that simplifies and effectively communicates our value propositions to audiences keeping their needs in mind.
- 2. Link Building and Search Engine Optimisation ('SEO')** - We use social media as a search engine, based on audiences' behaviour of looking up news related to the topic of their interest, on social media.

The underlying principles of our strategy are staying relevant in the customers' **digital ecosystem** through our products and being able to stitch together multiple products to **deliver a solution**, thus **solving customers' problems**.

Our native social content helps make strides with the Tata Communications website's search engine ranking and helps upgrade targeted traffic volumes as both Google and Bing algorithms pool social signals into their search results. This also helps bring more visibility on the internet as our social profiles also appear in search results.

- 3. Partnerships and Collaborations** - Social media enables Tata Communications to effectively showcase our partnerships and collaborations. Tagging the partner we have collaborated with in our native content around partnerships and collaborations and sometimes also mentioning the key people involved in the collaboration helps demonstrate our collaborative and customer first mindset. We also retweet our partner content and comment on their posts to gain more engagement.

**Our Smart Meetings content with TCS has witnessed 91,000 views on YouTube**

- 4. Platform First Content Strategy** - Our content creation for individual platforms, is focussed on generating the best audience engagement. The content we create is in line with the audience behaviour and content consumption patterns and insights for each platform.

**LinkedIn** - we create content for product updates and blog posts to reach stakeholders, decision makers and potential hires easily, to build a professional network and strengthen relationships with our 408,000 followers.

**Twitter** - to increase engagement and get noticed by our 28,000 followers, for viral marketing (retweets), customer support and influencer marketing

**YouTube** - to engage customers with long-form video content. Our content has been viewed close to 5 million times in the recent times.

### Brand visibility campaigns during FY 2020-21

Two campaigns gained significant traction in FY 2020-21

#### a. Internet@25

- 34.5 Million impressions served in the 2-week campaign
- 4.35 Million views of the content online
- 108,000 engagements generated during the campaign
- 52,000 corporate website visits from campaign content

#### b. Industry Award wins (Frost & Sullivan)

- 12.5 Million impressions served in the 2-week campaign
- 425,000 views of the content online
- 786,000 engagements generated during the campaign
- 114,000 corporate website visits from campaign content

### Investors

Tata Communications strives for the highest degree of transparency of disclosures and timely dissemination of public communications regarding our strategy, business outlook, various risks, financial results and industry perspective.

The Investor Relations team at Tata Communications facilitates a two-way communications of the investor and analyst community with the Management continuously and on a frequent basis, with the aim of ironing out all information asymmetries and enabling the Company's stock price to reach its fair market value. This is achieved via a multitude of interactive channels such as investor roadshows, analyst meetings, management conference calls and 1-on-1 meets on demand, with more than 300+ touchpoints in a year. We also correspond on an individual basis to investor queries over our dedicated investor mailing channel [investor.relations@tatacommunications.com](mailto:investor.relations@tatacommunications.com) to supplement shareholders' data requests and queries.

The Company's earnings release and event updates are shared on our website as and when such events are slated to take place. The earnings updates are also shared over e-mails to members of the analyst community who sign-up for this service via our website. The quarterly earnings conference call is conducted via livestream video conference calls where the Management discusses the business performance and interacts with the investors and analysts.

The detailed Company factsheet and investor presentation, updated quarterly, contain various business KPIs (Key Performance Indicators) and cross-sectional views of Tata Communications' operational trends. We have recently released the Tata Communications data pack, housing 3-year historical financial data of the company and its subsidiaries. All material updates and corporate actions are intimated to the public via press releases, exchange notifications and on our Company website. The quarterly and annual filings, results, upcoming investor events, earnings call transcripts and webinar recordings can be found under the Investor Relations section of the Company website at <https://www.tatacommunications.com/investors/>.

### Regulatory and Industry Bodies

Tata Communications Limited is a Digital Ecosystem Enabler for global enterprise customers offering cloud, mobility, Internet of Things ('IoT'), collaboration, security and network services. In India, Tata Communications Limited participates in stakeholder consultations with the Department of Telecommunications ('DoT'), Government of India; Telecom Regulatory Authority of India ('TRAI') and also in interactions between industry associations like Internet Service Providers Association of India ('ISPAI'), National Internet Exchange of India ('NIXI'), Federation of Indian Chambers of Commerce and Industry ('FICCI') etc. and other relevant Ministries including the Ministry of Electronics and Information Technology, Ministry of Home Affairs, Ministry of Housing and Urban Affairs etc., to support long term policy formulation in the Telecom and IT sector as well as to deal with the critical operational / business issues being consulted upon by the relevant authorities.

Tata Communications Limited is a member of ISPAI in India. Apart from ISPAI, the Company through its representatives actively participates in consultative committees of TEC (Telecom Engineering Center),

Tata Communications provides input on issues germane to its operations in the country, as **warranted**, and **responds to regulators'** requests for **information**, as required.

DoT which is the standards-making body for telecom equipment in India and the Wireless Planning and Coordination wing of DoT on various spectrum related policy issues including 5G, NFAP (National Frequency Allocation Plan) etc. The Company is also represented on the Board of NIXI - a not for profit body under the Chairmanship of Secretary, MeitY (Ministry of Electronics and Information Technology).

Outside of India, in the countries in which it has entities, Tata Communications also actively monitors matters conducted, and actions undertaken, by applicable regulatory bodies such as the United States Federal Communications Commission and the Canadian Radio-television and Telecommunications Commission, amongst others. Tata Communications provides input on issues germane to its operations in the country, as warranted, and responds to regulators' requests for information, as required. Tata Communications also participates in numerous national, regional, and global telecommunications industry associations involved with a wide variety of topics such as submarine cable maintenance, fraud resolution, cybersecurity, and numbering resources.





**SOCIAL CAPITAL**



At Tata Communications, we believe that our role as a digital ecosystem enabler calls on us to grow with the communities in which we operate. Our Corporate Social Responsibility ('CSR') program is a natural extension of our core business competence and our vision of a connected society. Through our societal initiatives, we are focused on creating a positive impact on the economy, society and the environment.

The Tata Group's philosophy 'to improve the quality of life of the communities served globally through long-term stakeholder value creation based on leadership with trust' is what inspires and acts as a backbone for CSR at Tata Communications.

We aspire to continuously impact communities by differentiating ourselves as a unique ecosystem of connections. Our global CSR programmes leverage our core expertise, partnerships, infrastructure and other resources to create long-term shared value for the communities we serve: focused primarily on underserved groups, especially women, young girls, youth, Affirmative Action communities (Dalits and Tribals).

All efforts at Tata Communications are aligned to complement the following United Nations Sustainability Development Goals ('SDGs'), in accordance with our vision and ambition of touching a million lives by 2022:

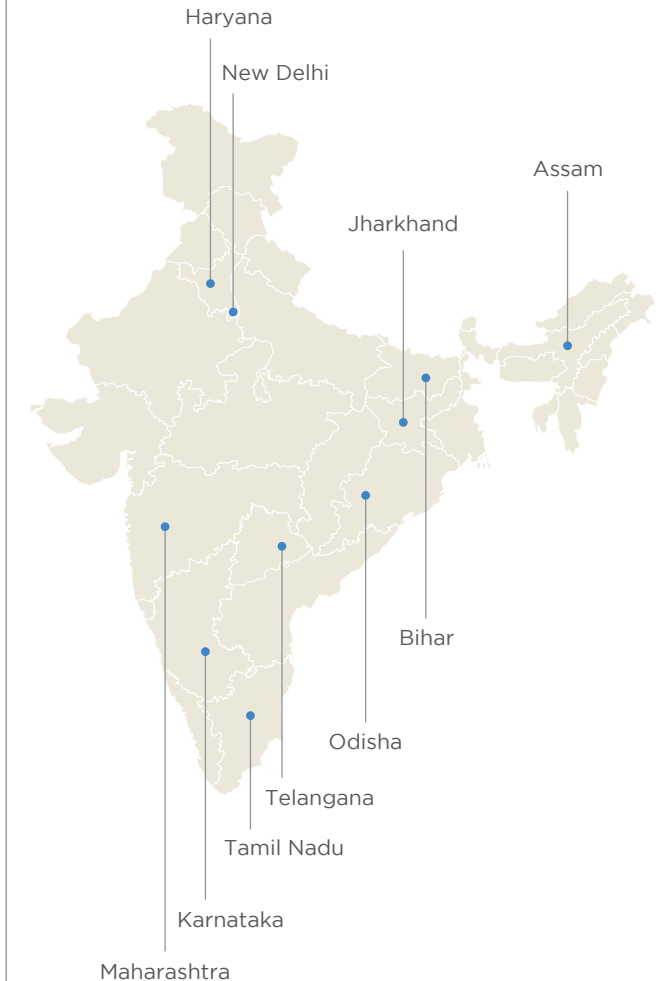
<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>4</b> QUALITY EDUCATION</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>
<p>Ensure healthy lives and promote well-being for all, at all ages</p>	<p>Ensure inclusive and quality education for all and promote lifelong learning</p>	<p>Promote inclusive and sustainable economic growth, employment and decent work for all</p>
<p><b>10</b> REDUCED INEQUALITIES</p>	<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>	
<p>Reduce inequality within and among countries</p>	<p>Revitalize the global partnership for sustainable development</p>	

Tata Communications synergises with the programs and initiatives of the Tata Group, wherever possible, and provides support for disaster rescue, relief and rehabilitation in close coordination with other Group companies.

The CSR portfolio is managed by the CSR function of Tata Communications with dedicated and well-qualified professionals. We collaborate with NGOs, trusts and agencies to implement projects. Additionally, through a Global Employee Volunteering Program, we utilise the skills of our employees to support different projects and community initiatives.



**Our CSR activity reach**



**₹9.22 crores**

Spent towards CSR activities

**250,050**

Total number of people benefitted

**20,830**

Total volunteering hours invested

**4,679**

Employees volunteered

**Impact Assessment**

In our effort to make impact assessment more robust, a third-party impact assessment study was commissioned for 'A New Education Worldview ('ANEW')', a project that facilitates holistic school reformation in 110 government schools across Gurugram District (Haryana) by equipping teachers with evolved teaching practices, integrating technology into the curriculum of first-generation learners, improving learning levels of students, reducing dropout rates, and enhancing community ownership. The study found that project interventions are helping learners to improve their learning outcomes and there is strong positivity around the model from local stakeholders (teachers, head-teachers, and district officials). The intervention has augmented the positive impact on teaching quality and learning outcomes created by the Saksham Haryana initiative, through additional support from Gandhi Fellows and leadership skills training, as reported by parents, teachers and government stakeholders.

**Education**

We undertook six projects through NGO partners in Haryana, Maharashtra and Karnataka. These projects are multidisciplinary and improve the quality of education through digital enablement of institutions, introduction of innovative learning methods including sports, capacity building of educators, youth engagement and leadership development of students. Scholarship and academic assistance are also provided to youth from challenging backgrounds along with mentorship opportunities for students from socially and economically underserved sections.

**36,317**

Beneficiaries including students, teachers and head teachers

**117**

Schools covered

**7**

Colleges covered

**Employability and sustainable livelihoods**

We provided vocational training to underserved youth to develop skills for banking financial services and insurance ('BFSI'), customer relationship management, retail sales, business process outsourcing ('BPO'), retail sales associate, assistant electrician, hygiene assistant, assistant beauty therapist, auto sales consultant, cybersecurity analyst and general duty assistant.

This project is currently operational in East Delhi, Mumbai, Pune, Chennai, Hyderabad, Bengaluru. Post-training, they will be placed in reputable companies with an average salary of ₹11,600.

Women belonging to rural areas of Odisha and Jharkhand were trained to use smart phone applications on cultivation, livestock management and financial literacy. Women from Raigad district in Maharashtra were trained on entrepreneurship development to build their capacity for sustainable income through enterprise creation. Their average monthly income was ₹8,450.

**44,008**

Beneficiaries including 5,260 direct beneficiaries through Tata Strive

**16,210**

Beneficiaries including 2,800 direct women beneficiaries through MPowered

**4,341**

Total women beneficiaries

**1,689**

Youth trained

**Healthcare and Disaster Relief**

Our initiatives towards healthcare include:

- Supporting the establishment of the 'telepathology' infrastructure for cancer diagnosis to offer remote location histopathology analysis.
- Improving eye care facilities to provide better visual health for and by young girls and women, in order to improve their ability to participate fully in every aspect of life and help them break out of the gender-health-poverty trap.

**3**

Scanners installed in Assam and Mumbai

**17**

Girls enrolled in the e-MBA program

Launch of

**Hospital Information System ('HIS')**

**COVID-19 relief and support**

We actively contributed to relief efforts towards battling the ongoing COVID-19 pandemic by:

- Improving well-being of communities by collaborating with Tata Power-Delhi Distribution Limited ('TP-DDL') to use a donation of ₹6,09,137 for distribution of ration kits (for 10 days) and basic hygiene supplies (soaps, masks) to 1,000 underserved families in Jhuggi - Jhopri (JJ) cluster in Delhi. Moreover, 55 underprivileged women were supported to gain livelihood through mask-making which led to income generation during the lockdown period.

- Ensuring children's and communities' well-being during the pandemic by extending our support to four of our long-term partners by repurposing existing funds and with additional financial aid to provide COVID-19 relief measures (dry ration kits, basic hygiene supplies) for the children and communities in Haryana (to 1,100+ beneficiaries in the community with clothes and food), Mumbai (to 500 students from 2 BMC schools and their families for 15 days) and Bengaluru (to 1,500 students and their families) during the pandemic.
- Extending support to disaster struck underserved communities by initiating global employee donation with dollar-to-dollar match by the Company. Donation of ₹76,05,507 was made to Tata Community Initiative Trusts and utilised to support distressed families with dry ration kits, distribution of PPE kits, masks, gloves etc. as well as distribution of cooked meals in migrant workers areas.

**Locations**

New Delhi, Mumbai, Pune, Nandurbar, Bengaluru

**Employee volunteering**

Our CSR projects are enriched through skills-based volunteering; channelling employees' energy towards community action on key social and environmental issues, providing a space for leadership development.

3 hours is the per capita of volunteering hours for FY 2020-21.

**4,679**

Employees volunteered

**20,830**

Volunteering hours clocked



### COVID-19 Relief and Support

Tata Communications provides support for disaster rescue, relief, and rehabilitation in close co-ordination with other Tata Group companies and collaborates with the programs and initiatives of the Tata Group where possible. Our efforts towards the prevailing COVID-19 pandemic were guided by a response framework aimed at leveraging our strengths to support communities under three significant areas: extending digital infrastructure support, bolstering healthcare services and providing relief goods.

We partnered with Tata Power - Delhi Distribution Limited ('TP-DDL') to provide support to the underprivileged people of the Jhuggi-Jhopri cluster of North and North-west Delhi through the Sofia Educational and Welfare Society. Ration kits and hygiene supplies were identified as the most immediate need of the community, and these were distributed to 1,000 daily wage workers and underserved families for 10 days. Another initiative of this partnership was based on the livelihood model - preparation and distribution of handmade masks. 55 women from the vocational training programme of Sofia Educational and Welfare Society were supported through this initiative. These reusable, washable and double layer cotton masks protected thousands from coronavirus and at the same time helped underprivileged women who had lost their source of livelihood during the lockdown period.

Tata Communications also organised a global employee donation initiative, with a dollar-to-dollar match by the organisation and contributed more than ₹76 lakhs to Tata Community Initiative Trusts to support distressed families with dry ration kits, PPE kits, masks, gloves as well as cooked meals for migrant workers.

We ensured the well-being of children and communities during the pandemic by extending our support to three of our long-term partners Kaivalya Education Foundation ('KEF'), Ballygunj Society for Children in Pain ('CHIP') and Parikrma Humanity Foundation by repurposing existing funds and additional financial aid to provide COVID-19 relief in the form of dry ration kits and basic hygiene supplies etc. for:

- i. Children and communities in Haryana - clothes and food provided to more than 1,100 beneficiaries in the community.
- ii. 500 students and their families for 15 days in Mumbai; and
- iii. 1,500 students and their families in Bengaluru.

**₹76 lakhs+**

**Contributed to support distressed families with dry ration kits, PPE kits, masks, gloves and cooked meals for migrant workers**

### Awards & Recognition

A case study on MPowered featured in 'Corporate Social Marketing in India: Building a Better World and Bottom Line', was selected for publication by Springer Singapore in 2020.



To know more about our Social capital (Community) material aspects, performance and initiatives, please visit <https://www.tatacommunications.com/about/sustainability/>



### HUMAN CAPITAL



One of the core elements for the success of our business is our people philosophy. We aspire to be the Company that offers people opportunities to develop their talent and a work environment in which they feel included, engaged and motivated to perform. We strive to establish a mutually beneficial long-term relationship with our employees who are proud to work with us.

**12,185**

**Total headcount (including subsidiaries) as on March 31, 2021**

**22%**

**Diversity ratio**

**50**

**Nationalities**

### Learning and development ('L&D')

We continue to make steady progress to empower our employees with skills by executing our L&D strategy through the Tata Communications Learning Academy ('TCLA'), to facilitate individual learning as well as targeted single-domain or multi-domain skill development. In FY 2020-21, 2,046 employees accomplished the targeted skill development and surpassed the annual target of 1,250 by 63%.

Artificial Intelligence ('AI') and Machine Learning ('ML'), Blockchain, Microservices Architecture, Cloud and Network Security were leading technical skills imparted to employees. During the year, CISCO, AWS, Networking and Cloud, Security, were focus areas for industry standard certification.

TCLA - an individual learning ecosystem, offers a mix of premium and sponsored content, with the latter being contextualised to skill requirements within the organisation. We launched a dedicated technical skills development platform that is available to all employees across the organisation, to undertake self-paced journeys on any area of interest; where new content is regularly added, based on inputs from leaders.

The Targeted Role Development via Academies covers impact-based upskilling across Service Assurance, Service Delivery, Customer Success Managers, Agile, Services Wrap and Artificial Intelligence teams, covering skills for holistic role development.

**112,782**

**Person-days of learning  
35% increase from FY 2019-20**

**100%**

**Learning through digital and virtual channels**

**3,722**

**Industry-standard and in-house Certifications**

**95%**

**New Learner Adoption**

**73%**

**Repeat Learner Adoption**

Adoption on Tata Communications Learning Academy launched in FY 2020-21

### Crowdsourcing global talent

To further streamline collaboration and nurture employees for the future, across various organisational operations, Tata Communications' 'Project Marketplace' platform facilitates business units and teams internally and externally to crowd source talent globally. This helps managers to work in hybrid teams that meet futuristic needs.

The platform provides employees an opportunity to work on projects across varied regions and disciplines, along with their current areas of operation. It has created an avenue for practicing skills learnt online or in classrooms. Since its launch, the platform has hosted **~210 projects (62 projects in FY 2020-21) and engaged 3500+ users.**

Our enterprise level partnership with Upwork has extended the platform to freelancers across the globe. **Over 50 freelance projects** have been completed utilising skills such as graphic design, content development, web design, software development, analytics, and UI / UX (User Interface Design / User Experience Design).

### Human Capital Development

Our diverse and multicultural workforce represents more than 50 nationalities. Our dynamic work environment benefits our employees in working with other innovators from around the globe – to drive meaningful change together, both for our customers and us.

The representation of women in Tata Communications has grown from 16% in FY14 to 22% at the end of FY 2020-21, with new hire diversity at 27.20%. During the year, Inclusive Leadership was introduced as an immersive learning journey to help people managers (including Leadership Forum members) manage a diverse workforce with the help of webinars from world class D&I (Diversity and Inclusion) leaders, and customised e-learning modules with assignments, case studies, and online social discussions. The Global Part Time Work policy, Work from Home Policy and Caregiving Policy in conjunction with LEAP (Life Event Assistance Program) help employees balance their personal needs and professional responsibilities at the same time.

Tata Communications has been recognised, for the **fifth consecutive year**, in the AVTAR Group and Working Mother Media, '2020 - 100 Best Companies for Women in India (BCWI)' for policies and programs that encourage a balanced workforce. Great Places to Work has also named us among the **'Best Places to work for Women' in Canada.**

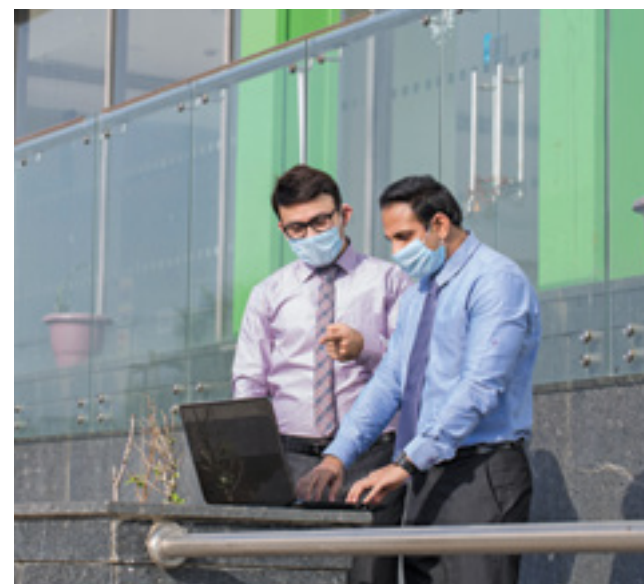
Our compensation and employee benefit practices are designed to be competitive in the respective geographies where we operate. We value employee satisfaction, motivation and loyalty to maintain our competitive edge and offer a range of benefits to attract and retain the best talent. Such benefits vary across geographies and include Group Medical Insurance, Group Term Life Insurance, Group Personal Accident Insurance, Car Lease Program, Meal Coupons, awards for Employees and Retirement Gift Vouchers to our full-time employees.

We aim to grow and develop our employees and their careers by widening their experience and expertise, by conducting a regular training-need analysis to assess training priorities and also hold group discussions to benchmark training programmes.

### Employee Well-Being-Health and Safety

As an organisation that is built on a strong foundation of values, with more than 10,000 employees across multiple geographies, we take Occupational Health and Safety and well-being of our employees seriously.

Tata Communications recognizes health and safety ('H&S') as one of the key focus areas for the organisation. The core guiding principles of the Tata Code of Conduct ('TCoC') state that nothing is more important than the safety and well-being of the people who work with and for us. It is this value that drives our commitment and ethos for H&S. Over and above the TCoC, the Tata Communications Occupational H&S ('OHS') policy drives our basic objective to provide a safe and healthy work environment for our employees, business partners and those who may be impacted by our business.



Safety is one of the top priorities and focus areas for senior management. Our formal governance mechanism, the Global Safety Council ('GSC'), reviews safety performance on a quarterly basis. GSC comprises of senior management in the form of two global management committee ('GMC') members and relevant business function heads that have OHS interface with the operations. The senior management reviews safety performance at multiple forums including the following:

- Board level Review – on a quarterly basis
- GMC Review – on a monthly basis (prior to submission to Group H&S Office)
- GSC Review – on a monthly basis

As part of understanding our operations and associated H&S risks, we undertake hazard identification and risk assessment exercise every year. This process has uncovered the following:

- H&S risk is greater in India than in any of Tata Communications international operations.
- In India, the vendor workforce is at higher risk than the organisation's own employees as the vendor workforce undertakes operations and maintenance ('O&M') activities which have H&S risk, while the organisation's employees manage / supervise O&M activities undertaken by the vendor workforce.
- As H&S risk is primarily concentrated in Indian operations, the programs are specifically designed for India to mitigate various safety risks.
- Key safety risks:
  - Working at heights – façade cleaning activity and working on masts/poles
  - Road safety: both in terms of driving as well as working on roads or highways
  - Working with high voltage
  - Working inside trenches (> 1.5 m depth)
  - Hot work activity
  - Working in confined spaces

Identified hazards are reviewed regularly, including suggested control measures for effectiveness and whether they are commensurate with the level of risk. To minimize H&S risk, we have put together a governance framework for high-risk activities – for both routine and non-routine high-risk activities.



Non-Routine High-Risk Activities:

- Non-routine high-risk activities are governed through a Work Permit ('WP') program, which is in place since April, 2015
- WP is a document which is issued for carrying out non-routine hazardous jobs [Work at a Height ('W@H') - façade cleaning, W@H - project work, lift maintenance and hot work - welding jobs, and confined space work like tank cleaning]. It specifies the measures including do's and don'ts for carrying out the job in a safe manner.
- On an average, 4,000+ WPs are safely executed per quarter
- In FY 2020-21, 16,723 WPs were issued and safely executed.
- Effective November 2017 – the WP process is carried out through an online tool.

Routine High-Risk Activities:

- Routine high-risk activities (W@H for wireless work on tower / mast, maintenance work and fibre restoration) are governed through Mandatory Safety Standards ('MSS').
- MSS was rolled out in December 2015, and became applicable for our India-based operations, with effect from April 2016
  - MSS applies to vendor personnel performing following activities:
    - Driving a vehicle
    - Performing electrical work

- Performing fibre maintenance work
- Performing work at a height of over 2 meters from the ground or floor
- Performing Hot work
- One of the key principle of MSS is - Use Trained Workforce as far as possible and 'at the situation' training where not feasible
- MSS is part of our vendor agreements

For effective deployment, the EOHS team and the relevant business functions have developed their standard operating procedures ('SOPs') to demonstrate their compliance with MSS. The SOPs set out the number of audits EOHS and each business function will conduct and how they may take action on issues raised during business self-audits and MSS audits.

To assess adherence to MSS, regular audits are carried out, with findings forwarded to the leadership team for action. To oversee the implementation of MSS, the EOHS team and business functions conduct around 500+ audits per month on an average and close all non-conformances in time.

We also launched various behavioural awareness campaigns, training sessions and an H&S mobile app that resulted in an increase in reported unsafe observations. The number of unsafe observations reported have declined over FY 2020-21 owing to the COVID-19 pandemic. The total number of H&S training sessions conducted for employees and contract workforce was around 4300+.

We have also received the ISO 45001: 2018 certification (international best practice with respect to H&S risk management) for 10 facilities (VSB Delhi, GK1 Delhi, VSB Kolkata, BKC Mumbai, Equinox Mumbai, Dighi Pune, VSB Chennai, JTP Chennai, VSB Kochi and VSB Hyderabad) in India, 2 facilities (Tai Seng street and Global Switch Office) in Singapore and 3 facilities in Canada (Montreal, Toronto and Laurentide). We also achieved AS 4801 certification (which is H&S equivalent certification for ANZ geography) for our Sydney office and field operations in Australia, in May 2018. The transition to ISO 45001:2018 is planned in FY 2021-22.

The certification exemplifies our systematic approach and our consistent H&S framework across various business functions and our commitment towards ensuring continual improvement of occupational health and well-being of our employees and the contract workforce. It further reinforces our efforts towards improving our

corporate image, reputation and credibility among stakeholders like regulators, customers, prospective clients and the public.

We have a strong commitment to our Health Safety Environment ('HSE') framework. Our programmes are driven as per the material risks identified to our operational activities across the geographies we operate in. We are now looking forward to implementing an HSE IT automated solution which will aide business and corporate EOHS teams in automating the HSE programmes and MIS system for Tata Communications. The automated EOHS systems are standardised, easier to implement and use, and more affordable. This modern system will significantly boost productivity, enterprise connectivity, and management visibility to mitigate risks. The system has partially gone live in Q4 FY 2019-20 and Q3 FY 2020-21 (trainings KPI and MSS audits piece respectively). Rest of the KPIs (Unsafe observations, Incident reporting and Reward and recognition tool) are expected to go live by Q1 FY 2021-22.



**4,300**

**H&S training sessions for employees and contract workforce in FY 2021**

While Tata Communications takes numerous measures to ensure the Health and Safety of employees, we faced two fatal incidents during FY 2020-21 which were due to soil collapse inside a trench having depth of more than 1.5 metres. We have further reinforced the internal health and safety measures to avoid such incidents going forward.

**Employee well-being initiatives launched as TCare Programme in October 2020, including four initiatives:**

1. SKY Happiness Programme: In partnership with the Art of Living Foundation.
2. APP-Based Guided Exercises: Partnered with a leading fitness app, SworKit.
3. Guided Meditation: Calendarised meditation and mindfulness practices sessions
4. Learning on Wellness - Learning pathways on TCLA

Since its launch in October 2020, more than 36% of our employees (i.e. over 4300+ non-unique employees) participated in various initiatives by TCare. More than 25% of employees (i.e. overall 3000+ employees) attended the learning webinars with an average attendance of 300 employees per webinar.

**The overall sense of well-being in employees post the SKY Happiness Programme was as high as**

**4.5/5**

**as per our pre and post survey analysis.**

**The overall TCare NPS consistently stood between**

**89 - 90**

**for 6 months.**

**Employer awards and accolades**

**Best Workplaces in Asia**

For second year in a row, Tata Communications (Hong Kong) has been recognised as one of the 'Best Workplaces in Asia' for the year 2020.

**2020 Best Employer in India by Kincentric**

For the fifth year in a row, Tata Communications has been included in Kincentric (erstwhile Aon) Best Employers in India for 2020. The recognition is a testament to Tata Communications' commitment and approach towards our employees.



**Certified as a Great Place to Work by Great Place to Work Institute**

In 2020, Tata Communications was certified as a Great Place to Work by the Great Place to Work Institute in many countries.

- India - fourth consecutive year
- Hong Kong - third consecutive year
- Canada - third consecutive year
- United States - second consecutive time
- Australia - first time

This, again, is a testament to the progressive people practices deployed by us.

**Best Companies for Women in India - Working Mother and Avtar**

In 2020, for the fifth year in a row, Tata Communications was recognised as one of the top 100 companies for women employees in India. This is a testament to the leadership buy-in, manager support and employee feedback received by Tata Communications for its Winning Mix, a strategic Diversity and Inclusion initiative.

**Best Workplaces for Women by Great Place to Work Institute**

In 2020, Tata Communications has been identified as 'Best Workplaces for Women' in Canada.



To know more about our Human capital (HR and H&S) material aspects, performance and initiatives, please visit <https://www.tatacommunications.com/about/sustainability/>

**RISK MANAGEMENT**



**Rigorous systems ensure organisation-wide protection.**

Being a digital ecosystem enabler, operating in a complex and competitive environment across diverse markets and geographies, Tata Communications is clearly exposed to multiple threats and risks, from both internal and external sources.

We take adequate measures and steps to mitigate risks covering all of our business operations. We have adopted a holistic risk management framework to ensure placement of rigorous systems to identify any material impacts on our operations. By taking numerous possible scenarios into account, as detailed below, we are making informed decisions to sustain our market leadership globally.

**Internal control systems and their adequacy**

Tata Communications has robust internal control mechanisms, and our financial authority is clearly defined at the appropriate management levels through delegation of powers policies and procedures. Technical and financial operations are controlled by state-of-

the-art technology and systems. Tata Communications Limited's accounts are subject to internal and statutory audit.

Tata Communications operates well-established risk management policies and procedures to identify and assess risks across all business units and operations. These take into consideration well-defined risk management principles based on experience, known best practices and principles of good corporate governance. Their focus is on mitigating the potential adverse impact on the business from changes in the external and internal environment. Risk management and mitigation of key risks are considered as a vital on going exercise to achieve corporate objectives and deliver long-term value to stakeholders.

The Company's key risks are regularly discussed with the members of the Risk Management Committee and the Board of Directors. The responsibility for effective and efficient implementation and maintenance of the risk management system rests with the Global Management Committee, which comprises the CEO, CFO and key business and operations heads. Tata Communications' risk management procedures are subject to a continual improvement process.

**Enterprise Risk Management**

To manage risks, the Board of Directors has implemented an Enterprise Risk Management ('ERM') framework. This comprises the necessary organisational rules and procedures for identifying risks at an early stage and taking proactive steps to manage the risks inherent in any commercial activity. The Risk Management Committee monitors and undertakes an assessment of risks critical to the organisation's performance and strategic delivery. After identifying and assessing the risk under categories such as strategic, financial, operational and compliance, Tata Communications then defines control measures aimed at reducing the likelihood of its occurrence and the potential impact.

ERM risk assessments are a key input for the annual internal audit programme, and cover Tata Communications' various businesses and functions. In addition to its internal audit, Tata Communications also continues to conduct a detailed review and testing of the key internal controls related to financial reporting. This approach provides adequate assurance to the management and the Audit Committee regarding the effectiveness of the internal control procedures defined and implemented by the Management.

**Market risks**

Competition is intensifying from both existing telco players and new entrants in the market, who are offering new and disruptive technology solutions. If we are unable to evolve our strategy and execute well, we face the risk of losing market share to emerging competition and experience a fall in our revenues.

Beyond traditional telcos, competition in our industry has expanded to include pure-play technology vendors, OEMs, service integrators and Cloud Applications Services Providers ('CASPs'). Evolving customer needs and technology advances have opened-up a space for these categories of competitors, especially in the enterprise segment. Our failure to track the array of competition across products and services, the markets they operate in and pre-empt their moves, could leave us blind-sided. Maintaining and strengthening our position in the market is hinged on our ability to invest further and bring competing products and solutions to the market at a fast pace. Our failure to execute the strategy laid out, will have a direct impact on our market share and revenues.

With cost optimization emerging as a key buying factor, our pricing and margins may decline.

For reasons of cost and agility, enterprises are looking to transform their technology infrastructure. For instance, enterprises have been increasingly adopting cloud-first strategies and moving from an on-premise to a hybrid model of operations. As a result, the enterprise network architecture is undergoing a transformation. While lowering cost remains a priority for enterprises, the expectation on performance and security remains intact. Downward price pressure and emergence of new alternatives for our enterprise customers pose a risk of fall in our revenues and market share and can affect our profitability. Our failure to simplify and automate our internal business processes, bring in higher productivity to rationalise the cost structure and at the same time, differentiate on quality and service, would pose a threat to our position in the market.

We face pricing and gross margin erosion given a considerable portion of our revenues come from declining and low-margin carrier and service provider segments.

Products and services in the wholesale voice and data business remain commoditised globally. With prevailing low prices and continued price erosion, margins from the segment are shrinking further. Additionally, consolidation and restructuring of carriers and service providers as well as overall heavy financial leverage in the industry, particularly in India, further reduces the cost appetite for the segment. A considerable share of our revenues comes from carriers and service providers which poses a threat to our revenue as well as margin profiles. While our focus is on increasing business from the enterprise segment, if we fail to transition faster towards a larger share from enterprises, there is a threat to the overall growth in business and the margins.

Tata Communications is a truly global business and, therefore, exposed to additional externalities and risks.

Being a global business, we are under the constant threat of socio-political and economic events. Our customers, suppliers, partners, and workforce have multi-geography presence. Our business operations and those of others in the value chain remain exposed to localised or wide-spread political changes, instability, civil unrest, other social tensions, and trade wars; events that are beyond our control. These externalities may impact not only the relevant communications markets, result in potential re-evaluation of local regulations, and change the global business landscape. Black swan events like the COVID-19 pandemic or other epidemics/serious public health concerns, may lead to restrictive, preventive, precautionary or else protectionist steps taken by governments or enterprises. Such an eventuality could have a negative effect on the economies, financial markets, business activities and cost of operations. Implications for us could vary from demand slowdown, inability to maintain business continuity, impact on cost viability, as well as reduced ability to invest and grow. Our failure to cushion ourselves from these externalities and adapt swiftly could adversely impact our ability to maintain and grow the business in a profitable manner.

**Market risks**

<p><b>Pandemics and Employees' Health Risk.</b></p>	<p>Pandemics such as Covid 19 pose significant risks to the health and safety of our employees and contractors. While Tata Communications takes all possible measures towards the health and safety of its employees and contractors, such pandemics may materially impact the health of our employees and contractors which could restrict our ability to maintain quality operations and services.</p>
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**Regulatory risks**

<p>Any change in the regulatory framework under which we operate could adversely affect our business prospects.</p>	<p>Tata Communications has presence across the globe and our operations are subject to the laws and regulations applicable in the countries in which we operate to serve our large multinational enterprise customers. New laws or regulations or changes to existing regulatory frameworks by regulatory authorities could restrict the way we manage our platforms, products and services within the regions where we provide services. These types of changes could also impose additional costs and impact on our revenue opportunities and potentially, our ability to serve our customers in a manner that would be attractive to us and our customers.</p>
<p>We are subject to litigation, orders by authority on tax which could require us to pay significant damages or settlements.</p>	<p>We are subject to a substantial amount of litigation and as such, we may incur significant expenses in defending these lawsuits. In addition, we may be required to pay significant awards or settlements. Please refer to the 'Ongoing legal cases with risk implications' section below for further details.</p>
<p>Changes in licensing policy and regulations restricting our business expansion plans and introduction of new services could adversely impact our financial performance.</p>	<p>We are frequently required to maintain licenses for our operations and the conduct of our operations in accordance with prescribed standards. Without relief, existing and new laws and regulations may inhibit our ability to expand our business and introduce new products and services. The loss or a material limitation on certain licenses could have an adverse effect on our business, results of operations and financial condition.</p>
<p>We ought to act responsibly and protect the environment as it constitutes an important aspect of our business. Tata Communications is required to ensure continuous compliance with environmental laws and regulations to minimize any harm to the environment.</p>	<p>As increasingly stringent legislations addressing environmental concerns come up, they would require us to invest in initiatives to address them. This will incur additional costs to drive those initiatives and maintain the required guidelines set by the respective governing bodies.</p>
<p>Geo-political issues imposing restrictions from the regulatory authorities on the choice of vendors that we can work with for our network and other services.</p>	<p>We depend on various key suppliers and vendors to provide us, directly or indirectly through other suppliers, equipment and services that we need to operate our business and provide services to our enterprise customers. Strict guidelines issued by regulatory authorities restricting our ability to choose a vendor / partner of choice could have a severe impact on us to maintain or upgrade our network. Our business could be significantly impacted if we are required to choose or replace existing deployed equipment, products or services. Any such disruption could have an adverse effect on our business, results of operations and financial condition.</p>

**Financial risks**

<p>Tata Communications has presence in multiple geographies and is exposed to exchange rate fluctuations.</p>	<p>We conduct our operations internationally across multiple countries and have exposure to earnings and costs in foreign currencies. Additionally, we have significant indebtedness in US dollars and Indian rupees. This results in variability on our interest costs. Large currency exchange rate fluctuations can thus have a significant impact on our financials.</p>
<p>We are significantly influenced by the credit risk associated with our customers and an increase in delinquencies and deterioration of credit profiles of our customers could adversely affect our financials.</p>	<p>Tata Communications has a large customer base with multiple long-term recurring revenue contracts with many of them. Deterioration in creditworthiness of these customers and an increase in the rate of delinquencies in receiving payments from such customers could result in a material shortfall of earnings and cashflows for us. The ability of customers to honour such obligations is directly impacted by several factors, like industry shifts, economic conditions, liquidity, management quality etc.</p>
<p>Our ability to repay or refinance debt is dependent on a combination of both internal and external factors, some of which are beyond our control. Adverse movement in some of these factors could impact our ability to repay or refinance portions of our existing debt.</p>	<p>Tata Communications has various categories of debt with varying repayment schedules, currency denominations and geographies of borrowing. Our debt levels and debt service capability could be impacted by both business considerations and external market-linked factors like credit availability, liquidity and foreign exchange rates. Hence, deterioration in cost and availability of credit financing and credit ratings could have an adverse impact.</p>
<p>Tata Communications' operating cashflow after paying taxes impacts liquidity for supporting our investments to grow our business as well as our ability to finance them through external debt.</p>	<p>Tata Communications needs to undertake significant expenditures into assets, technologies, and working capital. Alongside this, we operate in highly competitive markets with significant regulatory oversight. Our operating cashflow is thus impacted by adverse developments in these areas. This results in risks related to our ability to invest to grow our business. It also increases the risks related to honouring our existing liabilities.</p>

**Operational risks**

<p>If we are not able to adapt to changes and disruptions in technology and address changing customer demands on a timely basis, we may experience a decline in the demand for our services, and experience reduced profits.</p>	<p>Our industry is rapidly changing as new technologies are developed that offer consumers and enterprises an array of choices for their communications needs and allow new entrants into the markets we serve. In order to grow and remain competitive, we will need to adapt to future changes in technology, enhance our existing offerings and introduce new offerings to address our customers' changing demands. If our services fail to gain acceptance in the marketplace, or if costs associated with the implementation and introduction of these services materially increase, our ability to retain and attract customers could be adversely affected.</p>
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## Operational risks

We make significant investments in new platforms and services that may not be profitable.	Our growth depends on our ability to create new and higher value platforms and service offerings. We will continue to make investments in research, development, and marketing for existing products, services, and technologies, such as mobility, unified collaboration, network virtualisation and security. Commercial success of these platforms and services depends a lot on our market positioning and relevance to our customers. Failure to create value for the customers' business will have a severe impact on our platform growth plans and hence revenue.
Failure to attract and retain talented people, who have specialised technical skills (e.g., sales, product development, data analytics, managed services, engineering, etc.) could negatively impact our ability to execute our business strategies.	Due to the highly technical nature of our services and the dynamic changes in industry trends, our business depends on successfully attracting and retaining talented employees. The market for highly skilled workers and leaders in our industry is extremely competitive. If we are less successful in our recruiting efforts, or unable to retain key employees, our ability to develop and deliver successful platforms and services may be adversely affected. In addition, effective succession planning and the ability of our employees to adapt to new operating environments such as remote working is also important to our current and long-term success.
Improper disclosure of personal data could result in liability and harm our reputation.	As part of our business operations, we store and process large amounts of personally identifiable information of our customers. At the same time, the continued occurrence of high-profile data breaches provides evidence of an external environment increasingly hostile to information security. This environment demands that we continuously improve our design and coordination of security controls across our business groups and geographies. Despite all efforts, if we fail to avoid improper disclosure of personally identifiable information, it could harm our reputation, lead to legal exposure to customers, or subject us to liability under laws that protect personal data, resulting in increased costs or loss of revenue. Our software products and services also enable our customers to store and process personal data on premise or, increasingly, in a cloud-based environment we host.
We may experience outages, data losses, and disruptions of our services if we fail to maintain an adequate operations infrastructure including equipment and systems.	Our increasing customer base and complexity of our platforms and services demand more networking and computing power. We have invested and expect to continue to spend substantial amounts to purchase or lease network infrastructure and equipment to handle increased traffic. We also are growing our business of providing a platform and back-end hosting for services provided by third-party businesses to their end customers. Inefficiencies or operational failures, could diminish the quality of our products, services, and user experience resulting in contractual liability, claims by customers and other third parties, damage to our reputation and loss of current and potential users, subscribers, and advertisers, each of which may harm our operating results and financial condition.
Natural disasters, geo-political disruptions, cyber-attacks, terrorist acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations.	Our business operations are subject to interruption by natural disasters, pandemics, power outages, cyber-attacks, terrorist attacks, other hostile acts and events beyond our control. Such events could cause significant damage to our infrastructure upon which our business operations rely, resulting in degradation or disruption of service to our customers. While we maintain insurance coverage for some of these events, the potential liabilities associated with these events could exceed the insurance coverage we maintain. These events could damage the infrastructure of the suppliers that provide us with the equipment and services that we need to operate our business and provide services to our customers. A natural disaster or other event causing significant physical damage could cause us to experience substantial losses resulting in significant recovery time and expenditures to resume operations. In addition, these occurrences could result in lost revenues from business interruption as well as damage to our reputation.

## Operational risks

Other carriers may not provide us local access services at prices that allow us to effectively compete.	With the consolidation of telecommunication players in India market the choice of last mile providers in India is very limited. We acquire significant portion of our local access services from other carriers. Network access represents a very large position of our direct costs. The carriers from whom we buy local access are also our direct competition in the enterprise space and hence we have the risk of them favouring themselves or their affiliates to our detriment. Less favourable pricing and high provisioning timeframes will impact our customer revenues and customer experience.
Inability to replace aging undersea cables may disrupt our connectivity services to our customers and adversely impact revenues.	Some of our undersea cable systems, which carry a significant amount of our network traffic, are now reaching end of life. We will rely on alternative new undersea cable projects to replace that traffic. Undersea cable projects are expensive and typically take two years to build. As a result, we need to plan in advance, our undersea cable strategy in anticipation of supply and demand of network traffic on various routes. Lack of availability of equivalent replacement cables at the appropriate time could impact our services.

### Ongoing legal cases with risk implications

#### 1. Disputed Tax Matters

In past fiscal years, Tata Communications made certain tax holiday and expense claims based on its understanding of the tax laws, as reinforced by legal precedent and advice received from external tax counsels. In some cases, the Indian tax authorities have not accepted these claims and in a few instances, have sought to levy penalties against the Company. The disallowances and penalties have been challenged by the Company under the applicable legal appeals processes, which are at various stages of adjudication. Though no such appeal has been finally decided against us, in the unlikely event of all of the disputes culminating in judgments against us, this could have adverse financial implications on our business.

#### 2. License Fee Matters

- i. In 2005, the Company had approached the Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') along with several other service providers to challenge the definition of 'gross revenue' and 'adjusted gross revenue' ('AGR') as interpreted by the Department of Telecommunications ('DoT') for levying license fees. TDSAT issued its final verdict on August 30, 2007, which was broadly in line with the Company's arguments. However, not being satisfied on two issues viz. (i) the date of applicability of the TDSAT verdict, and (ii) the disallowance by the TDSAT of deducting certain charges passed on to other service providers, the Company had challenged TDSAT's order in

the Supreme Court of India. Concurrently, DoT also filed an appeal against TDSAT's order. On the basis of submission made by the Company, it's appeal and DoT's appeal qua the Company have been de-tagged from the other appeals. While the Company's appeal and DoT's cross appeal remained pending, the Supreme Court passed its judgment on October 11, 2011 setting aside the TDSAT judgment dated August 30, 2007 and permitting the telecom operators to approach the TDSAT for challenging the demands. This round before TDSAT culminated in the judgment dated April 23, 2015. Appeals against this TDSAT were heard by Supreme Court while the Company's appeal and DoT's cross appeal were again directed to be heard separately. The Supreme Court has pronounced its judgement in the appeals of / against the other service providers, vide its order dated October 24, 2019. The Company believes that this judgment of Supreme Court is not applicable to the appeals and licenses of the Company. The Company had also in August / September 2019 received demand letters from the DoT on license fee for the financial years 2006-07 till 2017-18, for which the Company has submitted with the DoT its responses and awaits further revert from the DoT.

- ii. The Company had also filed a separate petition in TDSAT on the penalty and penalty interest provisions under its international and national long-distance license agreements, which was allowed by TDSAT in its judgement of February 2, 2010, entitling the company to a refund of



₹115.73 crores being the penalty and interest thereon realised by DoT in January 2008. Under TDSAT's order of May 2012, DoT refunded to the Company, an amount of ₹226.23 crores (₹115.73 crores plus interest), and simultaneously challenged the order in the Supreme Court of India, for which appeal is still pending.

- iii. In 2013, the Company filed a Writ Petition before Madras High Court challenging the demand notice dated February 19, 2013 issued by DoT, which demand was issued pursuant to special audit for FY 2006-07 and 2007-08 for additional license fee and seeking the quashing of the said demand notice. The Madras High Court by its order dated March 1, 2013 stayed the demand. The petition is pending.
- iv. In 2013, the DoT introduced a new Unified License (UL) regime for internet service providers that replaced the old service-specific license regime and imposed a new license fee of 8% of AGR on internet services revenue under the new UL-ISP Licenses. This created a non-level playing field among providers. In 2014, the company applied to the DoT for a new UL-ISP license with the condition that we would not pay the new license fee on internet services revenue to maintain a level playing field with providers not yet subject to the new license fee, and also requested an extension for the old service-specific license. The DoT, while extending the old license, imposed license fee on internet services, which was challenged by Tata Communications in TDSAT. In its hearing of March 25, 2014, TDSAT granted a stay on payment of license fee on pure internet services and extended company's license during the pendency of the litigation. TDSAT has

granted similar stays on petitions filed by other service providers on imposition of license fee by DoT. Vide judgement and order dated October 18, 2019, TDSAT has allowed the petition and decision of DoT to include the revenue from pure internet services in the AGR for levy of license fee on the ISPs under Unified License regime is set aside with direction to raise revised demands of license fee on the basis of same concept of AGR as is being done in respect of ISPs holding license under the old regime. The expectation was expressed by TDSAT from DoT to expedite the process of taking decision keeping in view the relevant recommendations of TRAI as well as the constitutional requirement of providing and safeguarding a 'level playing field' for all the ISPs. DoT was further directed to do it without any delay to end the uncertainty. DoT has filed a Civil Appeal before Supreme Court, challenging the TDSAT's judgment dated October 18, 2019. The said Civil Appeal was listed on January 5, 2021 and the Supreme Court, after hearing the submissions, condoned the delay in filing of appeal and issued the notice with the directions that DoT shall not be required to refund any amounts in pursuance of TDSAT judgment, and all the respondents in the appeal, in the event appeal succeeds, be subject to such final directions as may be passed by the Supreme Court in its judgment. The Supreme Court further directed all the respondents to file their counter affidavit. While the Civil Appeal is pending, DoT on March 31, 2021 has issued amendments of Licences granted under 2002 and 2007 guidelines, whereby licensees under 2002 and 2007 guidelines shall be subject to payment of 8% licence fee on the revenue from pure internet services with immediate effect.

### 3. Access Costs on Cable Landing Stations ('CLS')

The Telecom Regulatory Authority of India ('TRAI'), issued the International Telecommunication Access to Essential Facilities at Cable Landing Stations Regulations, 2007 ('2007 Regulations') on June 7, 2007, authorizing the owners of Cable Landing Stations ('CLS') to fix their own cost-based charges for access to CLS, after obtaining approvals from TRAI to ensure that the charges were cost based. In 2012, TRAI amended the 2007 Regulations vide Amendment Regulation dated October 19, 2012 empowering itself to specify/prescribe these charges, and thereafter issued another Regulation dated December 21, 2012 prescribing a uniform access charge in the form of a ceiling which led to an almost 90% reduction in the charges prevailing prior to issue of these Regulations and which were approved by TRAI in the year 2007 onwards. These were challenged by the Issuer by way of a Writ Petition filed in the Hon'ble High Court of Madras. The High Court, in 2016, dismissed the Company's Writ Petition, and against which order, the Company filed an appeal with the Division Bench of the Madras High Court. Since the Division bench of Madras High Court refused to grant interim stay to the Company while deciding to hear the Writ Appeal finally and keeping the Misc. Petition (CMP) for interim stay pending, the Company filed a Special Leave Petition ('SLP') with the Supreme Court of India. The Supreme Court, dismissing the Company's SLP, requested the Division Bench of the High Court to dispose of the matter at the earliest. The Division Bench of Madras High Court vide its Order dated July 2, 2018 partly allowed the Petition and quashed the schedules to the Regulations which prescribed charges, kept the CLS Regulations in abeyance and directed TRAI to rework the schedules within a period of six months. In October 2018, TRAI and other parties filed SLP in Supreme Court against the judgement of July 2018 in which the Supreme Court ordered TRAI to re-work the figures within a period of six weeks from October 8, 2018. TRAI reworked and re-enacted the schedules and issued Amendment Regulations with effect from November 28, 2018.

In December 2018, Association of Competitive Telecom Operators ('ACTO') filed an application in Supreme Court seeking direction and interpretation that the November 28, 2018 Regulations may be declared to be effective from retrospective effect. This application was disposed off by the Supreme Court on January 28, 2019 stating that it is not for the Supreme Court to give any interpretation and the matter may be taken up in Appellate Court and consequently remanded the matter to TDSAT.

On January 7, 2019 the Company filed in the Supreme Court an SLP challenging the jurisdiction of TRAI which has been admitted by the Supreme Court.

ACTO and Reliance Jio filed their separate petitions in TDSAT in pursuance of Supreme Court's order dated January 28, 2019. BSNL also filed a petition before TDSAT. By a judgement dated April 16, 2020, TDSAT has dismissed the petitions filed by ACTO, Reliance Jio and BSNL in favour of the Company. ACTO and Reliance Jio have filed their Civil Appeals before the Supreme Court challenging the TDSAT judgment dated April 16, 2020. These Civil Appeals are pending.

### 4. Premature termination of exclusivity and compensation

As previously reported, the Government of India (GoI) terminated the Company's exclusivity in the International Long Distance (ILD) business two years ahead of schedule and allowed other players to enter the ILD business on April 1, 2002. The GoI offered the Company a compensation package for this early termination under the terms of a letter dated September 7, 2000. The GoI also gave the Company an assurance that it would consider additional compensation, if found necessary, following a detailed review of its decision to open up the ILD market.

Contrary to its assurances, on January 18, 2002, the GoI issued a further letter to the Company, unilaterally declaring that the compensation package provided in its original letter was to be treated as full and final settlement of every sort of claim against the early termination of the Company's exclusivity rights in the ILD business. The Company filed a suit in the Bombay High Court in 2005. On July 7, 2010, the Bombay High Court ruled that it did not have the jurisdiction to hear this suit, in view of the provisions of the Telecom Regulatory Authority of India Act, 1997. Aggrieved by the said order, the Company instituted an appeal before a division bench of the Bombay High Court on various grounds. This appeal is yet to come up for a hearing.

### Indian Telecom Regulatory Developments

The Department of Telecommunications ('DoT') vide its amendment dated March 31, 2021, amended the old ISP licenses granted as per the guidelines dated March 8, 2002 and August 24, 2007. Vide an amendment effective March 31, 2021, DoT has amended the definition of AGR and pass-through charges in the ISP Licenses which are applicable from the date of issue and has prospectively imposed license fee @8% on pure internet service



revenues. In this amendment, DoT has also permitted ISPs the facility of sharing infrastructure with other Service Providers.

The DoT issued draft guidelines for Registration Process of M2M Service Providers ('M2MSP') and WPAN/WLAN Connectivity Provider for M2M Services and issues involved in the deployment of embedded SIM from various industry associations in April 2021. DoT has sought comments from concerned stakeholders for finalisation of the guidelines. The Company has submitted its response on the same.

The Government of India, on December 16, 2020 approved National Security Directive on the Telecommunication Sector ('NSDTS') as per which telecom products and their sources will be classified under the 'trusted' and 'non-trusted' categories'. Telecom Service Providers ('TSPs') will be required to connect new devices which are designated trusted products effective June 15, 2021. Basis the same, the DoT had made necessary amendments in all telecom licenses in the March 2021 for enforcement of the Directive. For this purpose, a portal is being developed by National Cyber Security Coordinator ('NCSC') for processing the application of Telecom Service Providers.

The Government of India, on December 9, 2020 approved PM WANI (Wi-Fi Access Network Interface) scheme to increase Wi-Fi access throughout the country. The WANI framework contains the following components:

- Public Data Office ('PDO'): It will establish, maintain, and operate only WANI compliant Wi-Fi Access Points and deliver broadband services to subscribers. Under this framework, PDOs will be able to set-up Public Wi-Fi hotspots to provide Internet services to end users.
- Public Data Office Aggregators (PDOAs): They will be aggregators of PDOs and will perform functions relating to Authorization and Accounting.
- Application Providers: They will provide apps to register users and discover WANI compliant Wi-Fi hotspots.
- PDOAs and app providers will be required to register with DoT through an online process and registration will be granted within seven days.

DoT has also revised the Other Service Provider ('OSP') guidelines on November 5, 2020 superseding the existing guidelines. Vide these guidelines, DoT has removed the requirement of registration for OSPs as a part of ease of



doing business and has defined OSPs as entities who are operating Voice Based BPOs.

#### International Regulatory Developments

Concerns about the ability of certain telecommunications equipment providers to utilize their equipment as modes of government surveillance have prompted many countries to consider or apply restrictions on the use of high-risk telecommunications vendors. The focus of the restrictions has been on certain equipment manufacturers who may be deemed to pose security risks.

Internationally, certain countries like the United States of America, the United Kingdom, Australia, Canada, Japan, New Zealand, etc., are considering, or have applied, restrictions or outright prohibitions on certain telecommunications equipment manufacturers.

Tata Communications is monitoring the regulatory developments on a global basis to align our existing network configuration and future deployment with applicable requirements.

#### Our Commitment to Privacy, Ethics and Compliance

Tata Communications recognises the importance of protecting personal data to individuals, organisations and stakeholders. Accordingly, we strive to earn and maintain the public's trust in their ability to share personal data with us. We currently have policies, procedures and controls in place to ensure that we

process and manage personal data securely and in accordance with all applicable privacy laws, including, the General Data Protection Regulation ('GDPR') in the European Union, which is regarded as one of the highest and strictest in the world. Our Privacy Policy, available at [www.tatacommunications.com/policies/privacy](http://www.tatacommunications.com/policies/privacy), further explains in detail our practices and processes with respect to handling of any personal data that we receive from our customers, suppliers or partners. As part of Tata Communications' ongoing commitment to ensure compliance with global data privacy laws and to provide enhanced protections for our customer, supplier and employee personal data globally, we continue to review, test and improve our data privacy framework updating it in light of emerging developments, best practices, new legislations and adopting technology and automation where appropriate to increase our levels of assurance.

At Tata Communications, adherence to legal and ethical behaviour is non-negotiable. We have an established compliance framework and ethics is embedded in the culture of the organization. The Company has adopted a full suite of compliance policies intended to ensure the highest standards of compliance with applicable laws. Together with our compliance policies, we also have a Whistle-blower framework that describes the channels employees and other stakeholders can use to raise whistle-blower complaints in a safe way due to a strict anti-retaliation rule for complaints raised in good faith. Tata Communications' whistle-blower policy also includes an ethics hotline maintained by a third party. These ethics helpline channels are available in multiple locations and in several languages to cover our diverse workforce and stakeholders. To reinforce the focus on ethics, we have been celebrating Ethics Week since its launch in 2015. This year, Ethics Week was celebrated in the first week of February 2021 and as a digital first

organization, Tata Communications made full use of our internal social collaboration platform as well as other communications channels to spread awareness about ethics which included ethics and compliance trivia being posted during the week leading up to Ethics Week to build the momentum followed by video capsules from senior leaders stressing the importance of ethics and several virtual contests around ethics during the Ethics Week.

As a constant measure of improvement, Tata Communications is increasingly automating the implementation of various compliance policies and procedures. The automation will simplify the procedural aspects of compliance with our policies while also providing the management with a holistic view of compliance activities.

#### CAUTIONARY STATEMENT

Statements in the Directors' Report and Management Discussion and Analysis describing Tata Communications' objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ substantially or materially from those expressed or implied. Important factors that could make a difference to our operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which we operate, changes in government regulations, policies, tax laws and other incidental factors. Further, Tata Communications retains the flexibility to respond to fast-changing market conditions and business imperatives. Therefore, Tata Communications may need to change any of the plans and projections that may have been outlined in this report, depending on market conditions.



# CORPORATE GOVERNANCE REPORT

## I. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance. Through a well-defined Governance mechanism, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairness and independence in its decision making. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Tata culture and ethos.

The Company has adopted the Tata Code of Conduct which provides an appropriate mechanism and structure for conducting its business in a fair and transparent manner. The Company has also adopted a Code of Conduct for its non-executive directors which includes a Code of Conduct for Independent Directors as specified under Schedule IV of the Companies Act, 2013 (the 'Act') and Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model and the Tata Communications Limited Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Insider Trading Code'). The Company has in place an Information Security Policy that ensures proper utilization of IT resources.

All members of the senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may give rise to potential conflict with the interest of the Company at large.

As on March 31, 2021, the Company is in compliance with the requirements stipulated under the SEBI Listing Regulations, as applicable, with regard to corporate governance [including relaxations granted by SEBI in the wake of Covid-19].

## II. Board of Directors

- i. As on March 31, 2021, the Company had six Directors. One was an executive director and the remaining five were non-executive directors. Two were independent directors and two were nominees of the Government of India. Ms. Renuka Ramnath, a non-executive independent director, continues as the Chairperson of the Board. The profiles of Directors can be found on <https://www.tatacommunications.com/investors/board/>.

[tatacommunications.com/investors/board/](https://www.tatacommunications.com/investors/board/). The composition of the Board was in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

### Changes that took place in the composition of the Board this year:

Mr. Srinath Narasimhan (DIN: 00058133) retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

- ii. None of the Directors on the Board holds directorships in more than 10 public companies. None of the Independent Directors serves as an independent director on more than 7 listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors. None of the Directors is related to each other. Further, the Managing Director and CEO does not serve as an Independent Director in any listed company.
- iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

- iv. Ten Board Meetings were held during the year under review and the gap between two meetings did not exceed 120 days. The said meetings were held on:

April 15, 2020	June 12, 2020	June 13, 2020
July 30, 2020	October 1, 2020	October 16, 2020
October 20, 2020	December 16, 2020	January 19, 2021
March 24, 2021		

The necessary quorum was present for all the meetings.

- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ('AGM'), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Number of Board Meetings attended during the year 2020-2021	Attendance at the last AGM (August 28, 2020)	Number of Directorships in public limited companies including Tata Communications Limited*		Number of Committee Positions held in public limited companies including Tata Communications Limited**		Other listed entities where Directors of the Company held Directorships	
			Chairperson	Member	Chairperson	Member	Name of the Listed Entity	Category of Directorship
<b>Executive Directors</b>								
Mr. Amur S. Lakshminarayanan Managing Director and CEO DIN: 08616830	10	Yes	1	2	-	-	-	-
<b>Non-Executive Independent Directors</b>								
Ms. Renuka Ramnath Chairperson DIN: 00147182	10	Yes	2	5	1	1	Arvind Limited TV18 Broadcast Limited PVR Limited	NE - ID NE - ID NE
Dr. Uday B Desai DIN: 01735464	10	Yes	-	4	1	2	-	-
<b>Non-Executive Non-Independent Directors</b>								
Mr. Srinath Narasimhan DIN: 00058133	10	Yes	-	4	-	2	Tata Teleservices (Maharashtra) Limited	NE
Dr. Rajesh Sharma DIN: 08200125	9	Yes	-	2	-	1	ITI Limited	NE - ID (Nominee)
Dr. Maruthi Prasad Tangirala DIN: 03609968	9	Yes	-	1	-	1	-	-

MD - Managing Director; NE - Non-Executive Director; ID - Independent Director

\* Excludes directorships of associations, private limited companies, Section 8 companies or companies incorporated outside India.

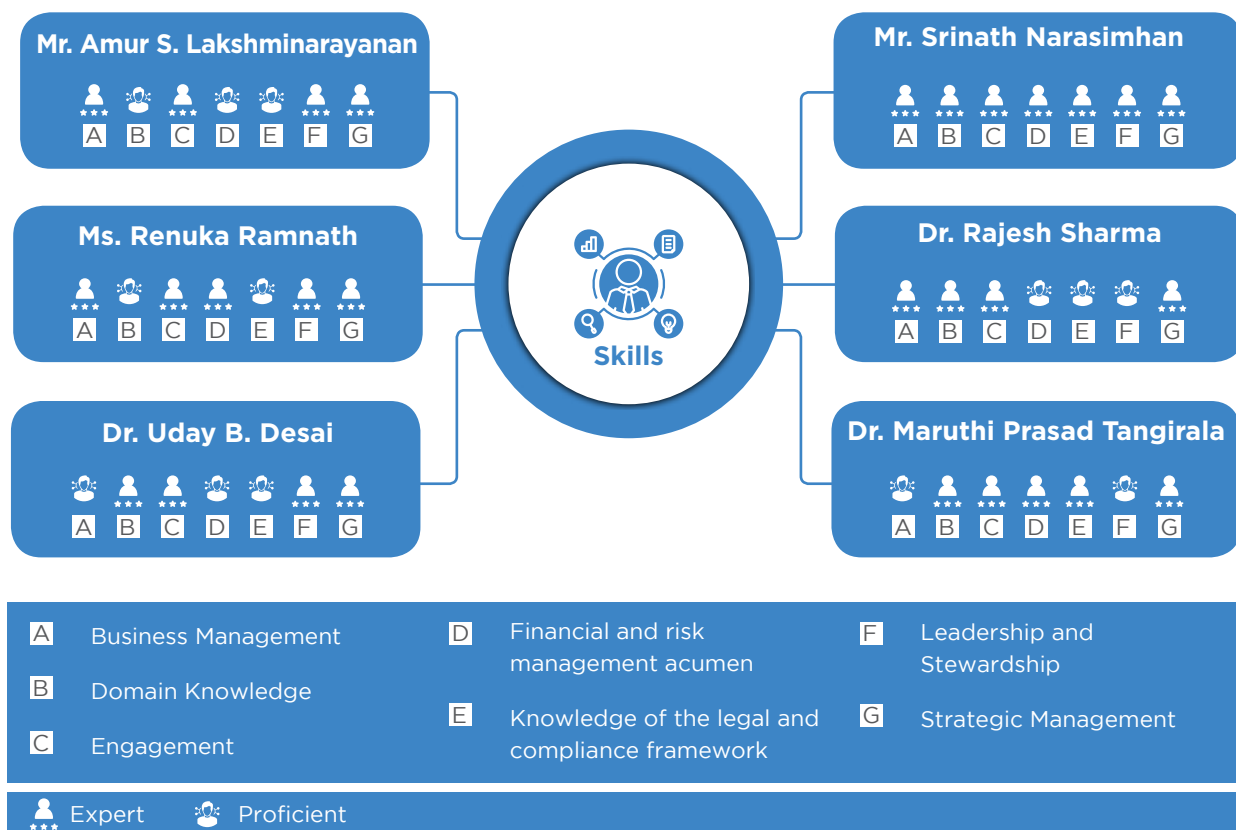
\*\* Represents Chairmanships / memberships of Audit Committee and Stakeholders' Relationship Committee in public limited companies whose equity shares are listed.

- vi. During FY 2020-21, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- vii. During FY 2020-21, one separate meeting of the Independent Directors was held on March 24, 2021. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors and the Board as a whole. The Board of Directors also evaluated the Independent Directors' performance.
- viii. The Board periodically reviews the compliance reports of all laws applicable to the Company.
- ix. None of the Directors held any equity shares of the Company as on March 31, 2021.

- x. The Board, based on the recommendation of the NRC, has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company:

Business Management		Ability to organize, plan, lead and direct a business
Domain Knowledge		Expertise and Knowledge in the fields of Telecom, Information Technology and Digitalisation
Engagement		Aware. Listens to others and is able to put across own point of view in an assertive manner. Participative in the deliberations.
Financial and risk management acumen		Capability to read and interpret financial statements, understand financial and accounting policy and risk management assessment.
Knowledge of the legal and compliance framework		Understanding of the legal and compliance framework within which the Board is expected to function and the duties responsibilities of individual Board members
Leadership and Stewardship		Capability to have leading and influencing conversations with the executive management. Conflict resolution and facilitation. Capability to serve / balance the wider interests and objectives of the Company, its various stakeholders while being compliant to good governance practices.
Strategic Management		Guiding the executive management in formulation and implementation of the major goals and initiatives of the Company

The identified skills are mapped to each of the Directors basis their level of expertise or proficiency for each identified skill:



The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

### III. Committees of the Board

- I. There are five statutory Board Committees as on March 31, 2021 that have been formed, details of which are as follows:

#### Audit Committee ('AC')



Ms. Renuka Ramnath  
Chairperson

Name	Category
Ms. Renuka Ramnath [Chairperson]	Non- Executive, Independent
Dr. Uday B. Desai	Non- Executive, Independent
Dr. Rajesh Sharma	Non- Executive

#### Extract of Terms of Reference

The Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.

- Oversight of financial reporting process.
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls, Internal Audit and risk management systems
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

- Review of Related Party Transactions

#### Other Details

- Eight meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.
- Ms. Renuka Ramnath, Chairperson of the Audit Committee was present at the Company's last AGM held on August 28, 2020.
- The Audit Committee invites a number of people to its meetings, including any Company executive it feels will be relevant, as well as representatives of the statutory auditors and internal auditors.
- All members are financially literate and bring in expertise in the fields of finance, economics, development, strategy and management.
- Mr. Zubin Patel, Company Secretary is the Compliance Officer effective March 24, 2021 and ensures compliance with and implementation of the Insider Trading Code.

**Nomination and Remuneration Committee ('NRC')**

Dr. Uday B. Desai  
Chairperson

Name	Category
Dr. Uday B. Desai [Chairperson]	Non- Executive, Independent
Ms. Renuka Ramnath	Non- Executive, Independent
Mr. Srinath Narasimhan	Non- Executive
Dr. Maruthi Prasad Tangirala	Non- Executive

**Extract of Terms of Reference**

The Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

- Recommend to the Board the setup and composition of the Board and its committees.
- Recommend to the Board the appointment/re appointment of Directors, Key Managerial Personnel and executive team members of the Company.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.

- Oversee familiarization programs for Directors.
- Oversee the HR philosophy, HR and People strategy and HR practices including Succession Planning.

**Other Details**

- Three Nomination and Remuneration Committee meetings were held during the year under review.
- Details of Performance Evaluation Criteria and Remuneration Policy are provided below.
- Dr. UB Desai, Chairperson of the NRC was present at the Company's last AGM held on August 28, 2020.

**Stakeholders' Relationship Committee ('SRC')**

Dr. Uday B. Desai  
Chairperson

Name	Category
Dr. Uday B. Desai [Chairperson]	Non- Executive, Independent
Mr. Srinath Narasimhan	Non- Executive
Dr. Maruthi Prasad Tangirala	Non- Executive

**Extract of Terms of Reference**

The Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.

- Review of statutory compliance relating to all security holders.
- Oversight of compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Oversight and review of all matters related to the transfer, transmission and dematerialisation of securities of the company.
- Review of movements in shareholding and ownership structures of the company.
- Ensuring setting of proper controls and oversight of performance of the Registrar and Share Transfer Agent.

- Recommendation of measures for overall improvement of the quality of investor services.
- Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**Other Details**

- Four meetings of the Stakeholders' Relationship Committee were held during the year under review.
- Details of Investor complaints and Compliance Officer are provided below.
- Dr. UB Desai, Chairperson of the SRC was present at the Company's last AGM held on August 28, 2020.

**Corporate Social Responsibility Committee ('CSR')**

Mr. Srinath Narasimhan  
Chairperson

Name	Category
Mr. Srinath Narasimhan [Chairperson]	Non- Executive
Dr. Uday B. Desai	Non- Executive, Independent
Dr. Rajesh Sharma	Non- Executive

**Extract of Terms of Reference**

The Committee is constituted in line with the provisions of Section 135 of the Act.

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- Monitor the CSR Policy.

**Other Details**

One meeting of the Corporate Social Responsibility Committee was held during the year under review.

**Risk Management Committee ('RMC')**

Name	Category
Mr. Srinath Narasimhan [Chairperson]	Non- Executive
Dr. Maruthi Prasad Tangirala	Non- Executive
Dr. Uday B. Desai	Non- Executive, Independent
Mr. Tri Pham	Member
Ms. Pratibha K. Advani*	Member

\*Ms. Prathiba K. Advani resigned as Chief Financial Officer and consequently ceased to be a member of the Risk Management Committee effective October 20, 2020.

**Extract of Terms of Reference**

The Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.

- Help to set the tone and develop a culture of risk management into the organisation's goals and compensation structure.
- Review and approve the Risk Management Framework once in three years.
- Evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
- To ensure that the Company has adequate cyber security measures in place to protect itself from cyber threats and also monitor such security measures from time to time.

**Other Details**

Two meetings of the Risk Management Committee were held during the year under review.

**I. Stakeholders Relationship Committee - other details**

a. Name, designation and address of Compliance Officer:

- Mr. Zubin Patel, Company Secretary is the Compliance Officer for shareholder grievance redressal.
- The Stakeholders' Relationship Committee has been delegated the powers to approve the issue of Duplicate Share Certificates and approve transfer / transmission of shares. All shares received for transfer / transmission until March 31, 2021 have been duly processed.

b. Details of Investor Complaints received and redressed during FY 2021 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	6	6	0

**II. Nomination and Remuneration Committee - other details****Remuneration policy:****Encouraging a high-performance culture**

We have designed our remuneration policy to encourage a high-performance culture to attract and retain the best staff and motivate them to achieve results. The policy supports a customer-focused business model that demands our employees to be mobile to meet project needs. Pay models comply with local regulations in each country we operate, with a remuneration structure tailored to reflect its domestic IT industry.

The Company pays remuneration via salary, benefits, perquisites, incentives and allowances (fixed component) and commission (variable component) to its Managing Director. It does not have any employee stock option scheme.

The NRC decides on annual increments for the Managing Director, following the salary scale approved by shareholders of the Company.

Increments become effective from April 1 every year. The NRC also decides on the commission payable to the Managing Director out of the profits for the financial year, following the ceilings prescribed under the Companies Act, 2013. Its decision is based on Company performance, as well as that of the Managing Director and each executive director, if any. The Remuneration policy is available on

<https://www.tatacommunications.com/investors/governance/>

**Sitting fees for FY 2020-21 - as recommended by the NRC and approved by the Board**

- ₹50,000/- per meeting of the Board / Audit Committee / Nomination and Remuneration Committee, to Non-Executive Directors who are not employees of any Tata company.
- ₹25,000/- per meeting for the meetings of other committees, to Non-Executive Directors who are not employees of any Tata company.
- ₹25,000/- per meeting convened for any other purpose in the interest of business.
- ₹20,000/- per meeting of the Board, any committee, or for any meeting convened for any other purpose in the interest of business, to Non-Executive Directors who are employees of any Tata company excluding the employees of the Company or its subsidiaries.

**Commission and sitting fees paid to Non-Executive Directors for the year 2020-21**

At the Company's AGM on August 28, 2020, shareholders authorized the Board of Directors to decide and pay annual commission to the Non-Executive Directors starting from April 1, 2020, within the ceiling of 1% of the net profits of the Company as outlined by the Act. The Board decides the exact commission each year and then distributes it amongst the non-executive directors based on their attendance and contribution at Board and committee meetings, as well as time spent on other operational matters. The Company also reimburses any out-of-pocket expenses incurred by directors for attending the meetings.

Details of commission and sitting fees to Non-Executive Directors for FY 2020-21 are below:

₹ in lakhs

Name of Director	Commission	Sitting Fees
Ms. Renuka Ramnath	75	10.75
Mr. Srinath Narasimhan	45	4.20
Dr. Uday B. Desai	55	12.75
Dr. Rajesh Sharma <sup>1</sup>	-	-
Dr. Maruthi Prasad Tangirala <sup>1</sup>	-	-

<sup>1</sup> The Government Directors have informed the Company that they will not accept any sitting fees and commission, as their directorships are seen as part of their official duty.

#### Remuneration to the whole-time director during FY 2020-21

Amount in ₹

Name	Salary	Perquisites and Allowances	Commission
Mr. Amur S. Lakshminarayanan Managing Director and CEO	47,310,000	8,136,830	53,707,500

Performance evaluation criteria for independent directors:

The NRC determines how the Company evaluates independent directors based on criteria including:

- Participation and contribution
- Commitment
- Deployment of their knowledge and expertise
- Management of relationships with stakeholders
- Integrity and maintenance of confidentiality
- Independence of behavior and judgment.

#### III. Number of Committee Meetings Held and Attendance Records

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee*
<b>No. of meetings held</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>
<b>Date of meetings</b>	<b>May 1, 2020 June 12, 2020 June 13, 2020 July 30, 2020 October 16, 2020 October 20, 2020 December 16, 2020 January 19, 2021</b>	<b>June 13, 2020 October 20, 2020 March 24, 2021</b>	<b>June 13, 2020 July 30, 2020 October 16, 2020 January 19, 2021</b>	<b>November 23, 2020</b>	<b>June 13, 2020 November 23, 2020</b>
	<b>No. of meetings attended</b>				
Ms. Renuka Ramnath	8	3	-	-	-
Dr. Uday B. Desai	8	3	4	1	2
Dr. Rajesh Sharma	8	-	-	1	-
Mr. Srinath Narasimhan	-	3	4	1	2

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee*
<b>No. of meetings held</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>
<b>Date of meetings</b>	<b>May 1, 2020 June 12, 2020 June 13, 2020 July 30, 2020 October 16, 2020 October 20, 2020 December 16, 2020 January 19, 2021</b>	<b>June 13, 2020 October 20, 2020 March 24, 2021</b>	<b>June 13, 2020 July 30, 2020 October 16, 2020 January 19, 2021</b>	<b>November 23, 2020</b>	<b>June 13, 2020 November 23, 2020</b>
	<b>No. of meetings attended</b>				
Dr. Maruthi Prasad Tangirala	-	2	4	-	2
Mr. Tri Pham	-	-	-	-	1
Ms. Pratibha K. Advani*	-	-	-	-	1
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings.				

\*Ms Pratibha K. Advani resigned as Chief Financial Officer and consequently ceased to be a member of the Risk Management Committee effective October 20, 2020

#### IV. General Body Meetings

##### i. General Meeting

##### a. Annual General Meeting (AGM)

Financial Year	Date	Time	Venue	Special Resolutions
2017-18	August 9, 2018	10:00 a.m.	Pama Thadhani Auditorium, Jai Hind College, 'A' Road, Churchgate, Mumbai - 400 020.	Special resolutions: 3 a. Alteration of Clause III - Objects Clause of the Memorandum of Association of the Company. b. Alteration of Clause IV - Liability Clause of the Memorandum of Association of the Company. c. Alteration of Articles of Association of the Company. All the resolutions were put to vote and carried with requisite majority.
2018-19	August 2, 2019	11:30 a.m.	BSE International Convention Hall, 1 <sup>st</sup> Floor, BSE Building, P.J. Towers, Fort, Mumbai - 400 001	Special resolutions: 1 a. Re-appointment of Dr. Uday B. Desai (DIN: 01735464) as an Independent Director of the Company for a second term. The resolution was put to vote and carried with requisite majority.

Financial Year	Date	Time	Venue	Special Resolutions
2019-20	August 28, 2020	11:00 a.m.	Video Conferencing ('VC') or Other Audio Visual Means ('OAVM')	Special resolutions: 1 a. Re-appointment of Ms. Renuka Ramnath (DIN: 00147182) as an Independent Director of the Company for a second term.  The resolution was put to vote and carried with requisite majority.

**b. Extraordinary General Meeting:**

No extraordinary general meeting of the members was held during FY 2020-21.

ii. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

Nil

iii. Details of special resolution proposed to be conducted through postal ballot:

Item Nos. 7 and 8 of the AGM Notice seek approval of the shareholders by a special resolution for carrying out amendments to the Memorandum of Association and Articles of Association of the Company. The said businesses have been included in the AGM Notice in view of an amendment to Section 110 of the Act effective February 9, 2018, which permits any item of business required to be transacted by means of postal ballot to be transacted at a general meeting by a company which provides a facility to its shareholders to vote by electronic means.

V. a. A certificate has been received from Mr. Upendra C. Shukla, Practicing Company Secretary,

that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

b. In accordance with SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Upendra C. Shukla, Practicing Company Secretary, confirming compliances with applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2021.

VI. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W / E300004) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

Particulars	Amount (₹)
Fees for audit and related services paid to S.R. Batliboi & Associates LLP and Affiliates firms of the network of which the statutory auditor is a part	78,194,751
Other fees paid to Affiliates firms and to entities of the network of which the statutory auditor is a part	24,046,966
<b>Total</b>	<b>102,241,717</b>

**VII. Other Disclosure**

Particulars	Regulations	Details	Website link for details/policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>
Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (C) 10(b) to the SEBI Listing Regulations	Subsequent to the resignation of Mr. Vinod Kumar - Managing Director and CEO w.e.f. July 5, 2019, the strength of the Board of Directors of the Company was 5, which fell below the prescribed requirement of 6 directors for top 1000 listed entities. The Nomination and Remuneration Committee ('NRC') and the Board of Directors of the Company immediately initiated the process of identifying a suitable successor to be appointed as the MD and CEO of the Company. After due process, at their respective meetings held on July 30, 2019, the NRC and the Board identified Mr. Amur S. Lakshminarayanan to take up the position of the MD and CEO of the Company. However, in terms of the permissions granted by the Ministry of Information and Broadcasting ('MIB') to setup Teleports at certain places, it was mandatory for the Company to adhere to the Policy Guidelines for Uplinking of Television Channels from India dated December 5, 2011. The said Policy Guidelines make it obligatory on the part of the Company to take prior permission from the MIB before effecting any change in the Chief Executive Officer / Board of Directors of the Company. Accordingly, immediately after the NRC and the Board of Directors identified Mr. Amur S. Lakshminarayanan to be appointed as the MD and CEO of the Company, an application was made to the MIB on August 2, 2019 for the above mentioned necessary regulatory approval.	
		The Company received approval of the MIB on November 22, 2019, upon receipt of which the Board of Directors, promptly, appointed Mr. Amur S. Lakshminarayanan as the Managing Director and Chief Executive Officer of the Company with effect from November 26, 2019.	



Particulars	Regulations	Details	Website link for details/policy
		<p>For the period between July 5, 2019 and November 26, 2019 the Company had 5 Directors, which was below the prescribed requirement of 6 directors for top 1000 listed entities. Thereafter, the composition of the Board of Directors was in compliance with the prescribed requirements under Regulation 17(1) of the SEBI Listing Regulations.</p> <p>In compliance with the letters received from the Stock Exchanges for non-compliance with Regulation 17(1) - having less than six directors on the Board for a period of 52 days, the Company has made the payments of penalty levied, under protest.</p> <p>During FY2020-21, the Stock Exchanges, accepting the representation of the Company have waived the penalties levied on the Company.</p>	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	<p>The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairperson of the Audit Committee. The said policy has been uploaded on the website of the Company. The Company has also set up a dedicated Ethics Helpline for receipt of Whistle Blower complaints.</p>	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	<ul style="list-style-type: none"> <li>■ The Company sent quarterly financial results to every member who had registered their email addresses with the Company or the Depository Participants during the financial year.</li> <li>■ The Auditors' reports on financial statements of the Company are unqualified.</li> <li>■ Internal auditors of the Company, make quarterly presentations to the Audit Committee on their reports.</li> </ul>	
Subsidiary Companies	Regulation 24 of the SEBI Listing Regulations	<ul style="list-style-type: none"> <li>■ The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies.</li> <li>■ The minutes of the Board meetings along with a report on significant transactions of unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.</li> <li>■ The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.</li> </ul>	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>

Particulars	Regulations	Details	Website link for details/policy
Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures.	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents.	
Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC / FITTC/ Cir-16/2002 dated December 31, 2002.	A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') and the total issued, and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in alignment with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.	
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2021. The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	<p>The Company believes in enhancing shareholders' returns on an ongoing basis, which is why we have constantly endeavoured to maintain the Dividend Pay-out Ratio at broadly the same level every year. The Board has the discretionary power to recommend the dividend. When deciding on the dividend pay-out, the Board may consider various parameters including, but not limited to, profits earned in the financial year, the Company's past performance, expansion plans, taxation and statutory regulations, and money market conditions.</p> <p>The Board of Directors has approved the Dividend Distribution Policy, as per Regulation 43A of the SEBI Listing Regulations. The Dividend Distribution Policy lists the key factors that may affect the decision to pay out earnings in the form of dividends</p>	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>

Particulars	Regulations	Details	Website link for details/policy
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website.	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>
Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations	The details of familiarization programme for independent directors is available on the Company's website.	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	The Company has in place a charter under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act'). The Company has formed Internal Complaints Committees to address complaints pertaining to sexual harassment in accordance with the POSH Act. The details of instances of complaints under the POSH Act for the financial year 2020-21 have been disclosed as part of the Business Responsibility Report.	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>
Anti-Corruption Policy		The Company has, from time to time, taken important steps for establishing and reinforcing a culture of business ethics. In view of our increasing global footprint and to align our work practices with regulations mandated for such multi-geography operations, the Company has adopted a policy on Anti-Corruption which covers Anti-Bribery and Anti-Money Laundering.	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>
Code of Conduct for Prevention of Insider Trading	SEBI (Prohibition of Insider Trading) Regulations, 2015	The Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'). The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company. The Company has in place an online tool for ensuring compliance with the provisions of the SEBI PIT Regulations and the Tata Code of Conduct for Prevention of Insider Trading.	<a href="https://www.tatacommunications.com/investors/governance/">https://www.tatacommunications.com/investors/governance/</a>

## VIII. Means of Communication

The quarterly, half-yearly and annual financial results of the Company are published in The Free Press Journal and Navshakti. The results are also displayed on the Company's website [www.tatacommunications.com](http://www.tatacommunications.com). Statutory notices are published in The Free Press Journal and Navshakti. The Company also issues press releases from time to time. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/ analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website. The recordings of the investors/analysts call along with the transcripts are also uploaded on the website of the Company. The Company also sends the quarterly financial results by way of email to all shareholders whose email addresses are registered with the Registrar and Share Transfer Agent / Depository Participants. A Management Discussion and Analysis Report is a part of this Annual Report.

re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

### ii. Financial Calendar

Year ending: March 31, 2021  
AGM: June 30, 2021  
Dividend Payment: The final dividend, if declared, shall be paid on or after June 30, 2021

iii. **Date of Book Closure:** Saturday, June 19, 2021 to Wednesday, June 30, 2021 (both days inclusive)

### iv. Listing on Stock Exchanges

**National Stock Exchange of India Limited ('NSE')**  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051

**BSE Limited ('BSE')**  
25<sup>th</sup> Floor, P.J. Towers, Dalal Street,  
Mumbai - 400 001.

Additionally, the Non-convertible Debentures of the Company are listed on the Wholesale Debt Segment of the NSE.

### v. Stock Codes/Symbol

NSE : TATACOMM  
BSE : 500483

Listing Fees as applicable have been paid in a timely manner.

### vi. Corporate Identity Number (CIN) of the Company:

L64200MH1986PLC039266

## XI. General shareholder information

### i. Annual General Meeting for FY 2020-21

Date: June 30, 2021  
Time: 11:00 hours  
Venue: Video-conferencing / Other Audio Visual Means

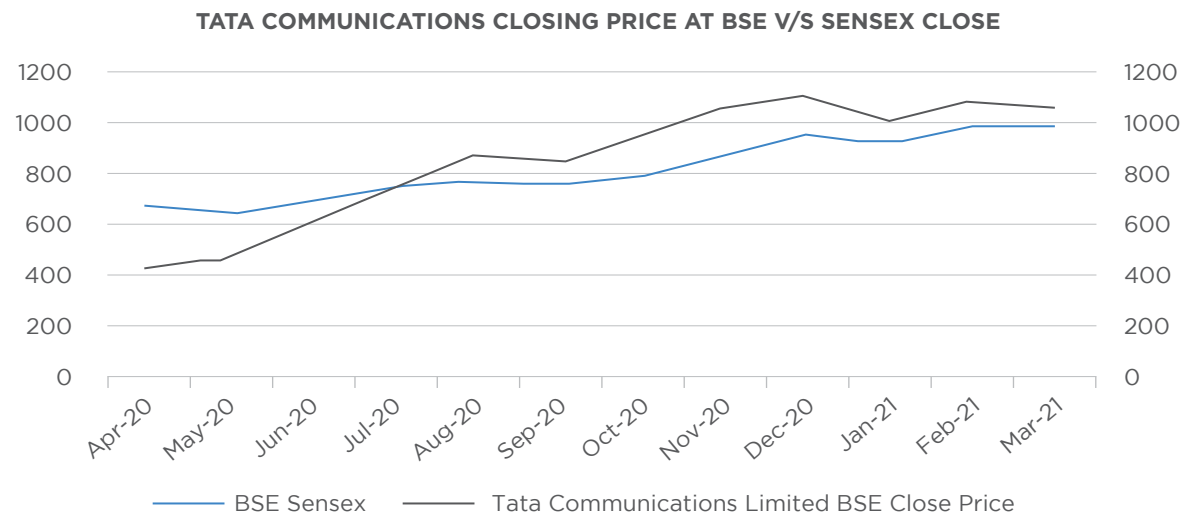
As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/

### vii. Market Price Data:

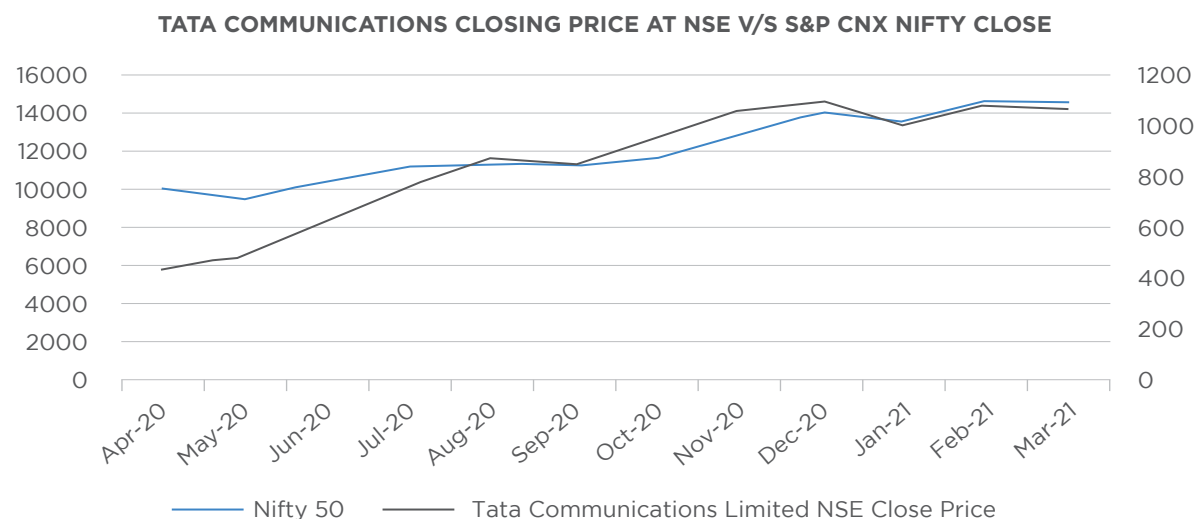
High Low (based on daily closing price) and number of equity shares traded during each month in the financial year 2020-21 on NSE and BSE:

	BSE			NSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares Traded
Apr-2020	444.60	225.05	282,012	435.00	230.00	12,486,100
May-2020	520.00	400.00	197,113	518.90	399.95	2,088,389
Jun-2020	646.00	447.00	396,646	643.90	446.95	3,927,216
Jul-2020	759.80	601.00	433,067	759.75	602.40	3,254,908
Aug-2020	929.00	756.85	588,772	930.00	755.00	5,518,120
Sep-2020	937.00	775.00	233,049	935.00	777.00	2,283,883
Oct-2020	989.00	829.00	318,185	989.40	828.50	2,332,460
Nov-2020	1,102.90	937.80	208,213	1,104.75	939.05	2,162,589
Dec-2020	1,139.95	887.15	234,836	1,144.95	888.30	2,732,716
Jan-2021	1,168.80	970.00	438,085	1,168.05	968.95	7,077,832
Feb-2021	1,118.15	930.05	497,592	1,118.90	950.05	5,670,498
Mar-2021	1,365.00	1,021.60	1,552,753	1,367.65	1,052.00	30,945,730

## viii. Performance of the Company's share price compared to the BSE Sensex



## ix. Performance of the Company's share price compared to the Nifty 50



## x. Registrar and Transfer Agent

Name and Address: TSR Darashaw Consultants Private Limited ('TCPL') C-101, 1<sup>st</sup> Floor, 247, Park, L.B.S. Marg, Vikhroli (West) Mumbai - 400083

Telephone : 91 22 6656 8484

Fax : 91 22 6656 8494

E-mail : [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)

Website : <https://www.tcplindia.co.in>

## xi. Place for acceptance of Documents:

For the convenience of the shareholders, documents will also be accepted at the following branches/agencies of TCPL:

## BRANCH OFFICES

<b>Bangalore</b>	<b>TSR DARASHAW CONSULTANTS PRIVATE LIMITED</b>	C/o. Mr. D. Nagendra Rao "Vaghdevi" 543/A, 7 <sup>th</sup> Main 3 <sup>rd</sup> Cross, Hanumanthnagar Bengaluru - 560019 Tel: +91-80-26509004 E-mail : <a href="mailto:tsrdlbang@tcplindia.co.in">tsrdlbang@tcplindia.co.in</a>
<b>Jamshedpur</b>	<b>TSR DARASHAW CONSULTANTS PRIVATE LIMITED</b>	Bungalow No. 1, "E" Road, Northern Town, Bistupur, Jamshedpur - 831 001 Tel: +91-657-2426937, E-mail : <a href="mailto:tsrdljsr@tcplindia.co.in">tsrdljsr@tcplindia.co.in</a>
<b>Kolkata</b>	<b>TSR DARASHAW CONSULTANTS PRIVATE LIMITED</b>	C/o Link Intime India Private Limited Vaishno Chamber, Flat No. 502 and 503 5 <sup>th</sup> Floor, 6, Brabourne Road Kolkata - 700001 Tel: +91-33- 40081986 E-mail : <a href="mailto:tsrdlcal@tcplindia.co.in">tsrdlcal@tcplindia.co.in</a>
<b>New Delhi</b>	<b>TSR DARASHAW CONSULTANTS PRIVATE LIMITED</b>	C/o Link Intime India Private Limited Noble Heights, 1 <sup>st</sup> Floor Plot No NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri New Delhi - 110 058 Tel: +91-11- 49411030 E-mail : <a href="mailto:tsrdldel@tcplindia.co.in">tsrdldel@tcplindia.co.in</a>
<b>Ahmedabad</b>	<b>TSR DARASHAW CONSULTANTS PRIVATE LIMITED</b>	C/o Link India Intime Private Limited Amarnath Business Centre-1 (ABC-1) Beside Gala Business Centre Nr. St. Xavier's College Corner Off. C.G. Road, Ellisbridge Ahmedabad - 380006 Tel: +91-79-26465179 E-mail : <a href="mailto:csg-unit@tcplindia.co.in">csg-unit@tcplindia.co.in</a>

## xii. Share Transfer System:

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. The Stakeholders' Relationship Committee and certain Company officials (including Company Secretary) are empowered to approve share transfers.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

## xiii. Shareholder as on March 31, 2021:

## a. Distribution of equity shareholding as on March 31, 2021:

Range	Number of Shares	Percentage to capital	Number of accounts/ Shareholders	Percentage to total accounts
1 - 500	4,974,072	1.75	89,035	94.93
501 - 1000	1,646,322	0.58	2,154	2.30
1001 -10000	6,161,132	2.16	2,176	2.32
Over 10000	272,218,474	95.52	422	0.45
<b>GRAND TOTAL</b>	<b>285,000,000</b>	<b>100.00</b>	<b>93787</b>	<b>100.00</b>

**b. Categories of equity shareholding as on March 31, 2021**

Category	Number of equity shares held	Percentage of holding
<b>Promoters and Promoter Group</b>		
1. Government of India	-	-
<b>2. Tata Group</b>		
i. Panatone Finvest Limited	127,672,854	44.80
ii. Tata Sons Private Limited	40,087,639	14.07
iii. The Tata Power Company Limited	-	-
<b>Public</b>		
<b>1. Institutions</b>		
i. Mutual Funds and UTI	11,431,638	4.01
ii. Banks, Financial Institutions, States and Central Government	2,634	0
iii. Insurance Companies	8,619,251	3.02
iv. Foreign Institutional Investors and Foreign Portfolio Investors - Corporate	69,542,621	24.40
<b>2. Non-Institutions</b>		
i. NRI's / OCB's / Foreign Nationals	854,426	0.30
ii. Corporate Bodies / Trust	4,772,324	1.68
iii. Indian Public and Others	20,545,020	7.21
iv. Alternate Investment Fund	1,391,026	0.49
v. IEPF account	80,567	0.03
<b>GRAND TOTAL</b>	<b>285,000,000</b>	<b>100</b>

**c. Top ten equity shareholders of the Company as on March 31, 2021:**

Sr. No.	Name of the shareholder*	Number of equity shares held	Percentage of holding
1	East Bridge Capital Master Fund I Ltd	19,134,676	6.71
2	Life Insurance Corporation Of India	6,181,894	2.17
3	Government Pension Fund Global	5,899,563	2.07
4	First State Investments Icvc- Stewart Investors Asia Pacific Leaders Fund	5,439,792	1.91
5	Baron Emerging Markets Fund	5,167,699	1.81
6	Hdfc Trustee Company Limited	5,142,062	1.80
7	Wf Asian Reconnaissance Fund Limited	3,958,900	1.39
8	Jhunjhunwala Rekha Rakesh	2,950,687	1.04
9	University Of Notre Dame Du Lac	2,645,498	0.93
10	Aditya Birla Sun Life Trustee Private Limited	1,921,000	0.67

**xiv. Dematerialisation of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.97% of the Company's equity share capital are dematerialised as on March 31, 2021. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE151A01013.

**xv. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past year and hence, as on March 31, 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**xvi. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

**xvii. Equity Shares in the Suspense Account:**

The Company does not have any Equity Shares in suspense account.

**xviii. Transfer of Unclaimed/Unpaid Amounts to the Investor Education and Protection Fund:**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividend, if not claimed for a consecutive period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, all the shares in respect of which dividend has remained unclaimed for seven (7) consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid

transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website at [www.tatacommunications.com/investors/shares](http://www.tatacommunications.com/investors/shares).

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven (7) consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for seven (7) consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2020-21 are as follows:

Financial year	Amount of unclaimed dividend transferred (₹)	Number of shares transferred
2012-13	685,845	19,764

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

Dividend for the year	Date of AGM	Date of Transfer to Investor Education and Protection Fund	Balance as on March 31, 2021 (₹)
2013-14	August 4, 2014	September 5, 2021	878,224.50
2014-15	September 29, 2015	October 30, 2022	1,193,780.50
2015-16	August 1, 2016	September 2, 2023	1,116,499.30
2016-17	June 27, 2017	July 28, 2024	1,557,738.00
2017-18	August 9, 2018	September 10, 2025	982,102.50
2018-19	August 2, 2019	September 3, 2026	858,811.50
2019-20	August 28, 2020	September 29, 2027	736,099.00
<b>Total</b>			<b>7,323,255.30</b>

**xix. Details of Non-Convertible Debentures issued and outstanding as at March 31, 2020.**

Sr. No.	NCD Series / ISIN	Principal Amount outstanding as at March 31, 2021 (₹)
1.	7.48% Rated, Secured, Listed, Redeemable, Non-Convertible Debentures <b>ISIN INE151A07051</b>	5,250,000,000

On April 20, 2020, the Company, by way of private placement, issued and allotted 5,250 (Five Thousand Two Hundred and Fifty only) Rated, Secured, Listed, Redeemable, Non-Convertible Debentures ('NCDs') at a nominal value of ₹10,00,000 (Indian Rupees Ten Lakhs only) each, aggregating up to ₹525,00,00,000 (Indian Rupees Five Hundred and Twenty Five Crores only).

The NCDs were rated AA+ by CARE Ratings Limited. The NCDs are listed on the Wholesale Debt Segment of the National Stock Exchange of India Limited.

**xx. Credit Ratings**

The Company has obtained ratings from CRISIL and CARE Ratings Ltd. during the financial year 2020-21. There has been no change in credit ratings of the Company during the financial year 2020-21.

Rating Agency	Credit Rating
CARE Ratings Limited	AA+ ( Issuer rating, NCD and Long term bank facilities) and A1+ ( Short Term bank facilities)
CRISIL	A1+ (Short Term Debt incl. Commercial Paper)

**xxi. Green Initiative**

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address as registered with their Depository Participants / Registrar and Share Transfer Agents. Shareholders who have not registered their e-mail addresses are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned Depository Participants. Shareholders who hold shares in physical form can register their e-mail address with the R&T Agent.

**xxii. Plant locations:**

The Company operates from various offices in India and abroad and has no manufacturing facility.

**Registered office**

VSB, Mahatma Gandhi Road, Fort, Mumbai – 400 001.  
Tel: +91 22 6659 1968  
Email: investor.relations@tatacommunications.com  
Website: www.tatacommunications.com

**Address for correspondence: Corporate office**

Tata Communications Limited, Tower 4, 4<sup>th</sup> floor, Equinox Business Park, LBS Road, Kurla (West), Mumbai – 400 070.  
Tel: +91 22 6659 1968  
Email: investor.relations@tatacommunications.com  
Website: www.tatacommunications.com

**Compliance Officer**

Mr. Zubin Patel  
Company Secretary  
Tata Communications Limited, Tower 4, 4<sup>th</sup> floor, Equinox Business Park, LBS Road, Kurla (West), Mumbai – 400 070.  
Tel: +91 22 6659 1968  
Email: investor.relations@tatacommunications.com

If you have any shareholder complaints or queries, please contact:

**Registrar and Share Transfer Agent**

TSR Darashaw Consultants Private Limited  
C-101, 1<sup>st</sup> Floor, 247, Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083  
Telephone: +91 22 6656 8484  
Fax: +91 22 6656 8494  
Email: csg-unit@tcplindia.co.in  
Website: https://www.tcplindia.co.in

If you have any queries about the Company's financial statements, please contact:

**Corporate Finance**

Tata Communications Limited  
Plot No. C-21 and C-36, G Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400 098.  
Tel: +91 22 6659 1968  
Email: investor.relations@tatacommunications.com

**xxiii. Share Capital History Since Incorporation**

Dates	Particulars of issue	Number of shares	Total number of shares	Nominal value of shares (₹ in '000)
March 19, 1986	Allotted as Purchase consideration for assets and liabilities of OCS	126	126	126
April 1, 1986	Allotted as Purchase consideration for assets and liabilities of OCS	599,874	600,000	600,000
March 1991	Shares of ₹1000/- each subdivided into shares of ₹10/- each	-	60,000,000	600,000
February 6, 1992	Bonus of 1:3 issued to Government of India ('GOI').	20,000,000	80,000,000	800,000
January-February 1992	12 million shares disinvested in favour of Indian Financial Institutions by GOI @ ₹123/- per share	-	80,000,000	800,000
1994-1995	2,382,529 Shares transferred to disinvested parties as bonus shares	-	80,000,000	800,000
March 27, 1997	Raised its share capital by way of GDR Issue, and also GOI Divested 39 lakh shares in GDR markets @ US\$13.93 per GDR equivalent to ₹1000 per share.	12,165,000	92,165,000	921,650
April 4, 1997	Raised its capital by way of GDR Issue Green Shoe option @ US\$13.93 per GDR equivalent ₹1000 per share.	2,835,000	95,000,000	950,000
February 1999	10 million shares divested by GOI in GDR markets @ US\$9.25 per GDR equivalent to ₹786.25 per share.	-	95,000,000	950,000
May 1999	396,991 shares Divested by GOI by way of offer of shares to employees @ ₹294 per share locked in for a period of 3 years.	-	95,000,000	950,000
September 1999	10 lakh shares Divested by GOI in domestic markets @ ₹750 per share.	-	95,000,000	950,000
August 15, 2000	Listing of ADRs on New York Stock Exchange	-	95,000,000	950,000
November 24, 2000	Bonus shares in the ratio of 2:1.	190,000,000	285,000,000	2,850,000
September 27, 2001	Declared dividend @ 500% i.e. ₹50/- per share at 15 AGM.	-	285,000,000	2,850,000
January 2002	Paid special interim Dividend of 750% i.e. ₹75/- per share	-	285,000,000	2,850,000
February 13, 2002	25% Stake transferred to Tata Group's investment vehicle Panatone Finvest Ltd. Govt holdings reduced to 27.97% from 52.97%. Ceases to be a Government of India Enterprise	-	285,000,000	2,850,000
February 21, 2002	5,264,555 shares Divested by GOI by way of offer of shares to employees @ ₹47.85 per share locked in for a period of 1 year.	-	285,000,000	2,850,000
April 10, 2002	Open Offer by Panatone Finvest Limited in accordance with SEBI guidelines to acquire up to 57 million shares @ ₹202/- per share	-	285,000,000	2,850,000
June 8, 2002	Open offer complete with Panatone holding total of 128,249,910 shares including 57 million shares as above.	-	285,000,000	2,850,000
August 13, 2013	Delisting of ADRs from NYSE	-	285,000,000	2,850,000
March 16 and 17, 2021	Government of India sold 16.12% of its stake (4,59,46,885 shares) in the Company through the 'Offer for Sale' of Shares by Promoters Platform of BSE and NSE. GoI stake reduced to 10%.	-	285,000,000	2,850,000
March 18, 2021	Government of India ('GoI') sold remaining 10% of its stake in the Company (2,85,00,000 shares) to Panatone Finvest Limited through off-market inter-se transfer of shares between promoters. GoI stake reduces to NIL.	-	285,000,000	2,850,000

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of  
**Tata Communications Limited**  
 VSB, Mahatma Gandhi Road, Fort,  
 Mumbai - 400001

1. The Corporate Governance Report prepared by Tata Communications Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered

Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
- Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
  - Obtained and read the minutes of the following committee meetings / other meetings held during the period April 01, 2020 to April 28, 2021:
    - Board of Directors;
    - Audit Committee;
    - Annual General Meeting (AGM);
    - Nomination and Remuneration Committee;
    - Stakeholders Relationship Committee;
    - Corporate Social Responsibility Committee;
    - Risk Management Committee

- Obtained necessary declarations from the directors of the Company.
- Obtained and read the policy adopted by the Company for related party transactions.
- Obtained the listing of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
- Performed necessary inquiries with the management and also obtained necessary specific representations from management.
- The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.
- Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

### Other matters and Restriction on Use

- This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**  
 Chartered Accountants  
**ICAI Firm Registration Number:** 101049W/E300004

per **Prashant Singhal**  
 Partner  
 Membership Number: 93282

Place: New Delhi  
 Date: April 28, 2021

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Tata Communications Limited,**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Tata Communications Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. **I have conducted online verification and examination of records as facilitated by the Company due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.**

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Tata Communications Limited for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-

- (a) Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (b) the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

I report that during the year under review, there was no action/event in pursuance of -

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; and
- (e) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
- (vi) Based on the certificate given by the Company Secretary of the Company, it appears that the following Acts / Guidelines are specifically applicable to the Company:
  - (a) Telecommunication Regulatory Authority of India Act, 1997

(b) Information Technology Act, 2000

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to the Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by 'The Institute of Company Secretaries of India'; and
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that -

- The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the year under review.

- Adequate notice is given to all directors to schedule most of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there was no specific event/action having a major bearing on the Company's affairs in pursuance to the laws, rules, regulations, guidelines, standards, etc. referred to above.

**(U.C. SHUKLA)**  
COMPANY SECRETARY  
FCS: 2727/CP: 1654

Date: April 28, 2021  
Place: Mumbai

## ANNEXURE A

To,  
The Members,  
**Tata Communications Limited,**

My report of even date is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: April 28, 2021

**(U.C. SHUKLA)**  
COMPANY SECRETARY  
FCS: 2727/CP: 1654

### DECLARATION BY THE CEO ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Amur S. Lakshminarayanan, Managing Director and CEO of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2020-21.

Place: Mumbai  
April 28, 2021

For Tata Communications Limited

**Amur S. Lakshminarayanan**  
Managing Director and CEO  
DIN: 08616830

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members,  
**Tata Communications Limited**  
VSB, Mahatma Gandhi  
Road, Fort  
Mumbai 400 001

I have examined the registers, records, books, forms, returns and disclosures received from the Directors of Tata Communications Limited, (CIN L64200MH1986PLCO39266), having Registered Office at VSB, Mahatma Gandhi Road, Fort, Mumbai 400 001 (the Company), produced before me by the Company for the purpose of issuing this Certificate in pursuance to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **I have conducted online verification and examination of records as facilitated by the Company due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.**

In my opinion and to the best of my information and according to the verification (including Director Identification Number (DIN) status on MCA website) as considered necessary and explanation furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31<sup>st</sup> March, 2021 were debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and/or Ministry of Corporate Affairs:

Sr. No.	Name of the Director & DIN	Designation	Date of first Appointment in the Company
1)	Ms. Renuka Ramnath (DIN: 00147182)	Independent Director	08/12/2014
2)	Mr. Amur S. Lakshminarayanan (DIN: 08616830)	Managing Director and CEO	26/11/2019
3)	Mr. Srinath Narasimhan (DIN: 00058133)	Non- Executive Director	13/02/2002
4)	Dr. Uday B. Desai (DIN: 01735464)	Independent Director	06/06/2011
5)	Dr. Maruthi P. Tangirala (DIN: 03609968)	Non- Executive Director	05/03/2019
6)	Dr. Rajesh Sharma (DIN: 08200125)	Non- Executive Director	05/03/2019

**Note:** Ensuring the eligibility for appointment/continuing as Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion based on verification of documents/information available to me. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: MUMBAI  
Date: April 28, 2021

**(UPENDRA C. SHUKLA)**  
COMPANY SECRETARY  
FCS: 2727/CP No: 1654



# BUSINESS RESPONSIBILITY REPORT

## Section A: General Information about the Company

### 1. Corporate Identity Number (CIN) of the Company:

L64200MH1986PLC039266

### 2. Name of the Company:

Tata Communications Limited

### 3. Registered address:

VSB, Mahatma Gandhi Road, Fort, Mumbai - 400001.

### 4. Website: www.tatacommunications.com

### 5. E-mail id: zubin.patel@tatacommunications.com

### 6. Financial Year reported: April 1, 2020 to March 31, 2021

### 7. Sector(s) that the Company is engaged in (Industrial activity code-wise):

Name and Description of services	NIC Code
<b>Telecommunications:</b>	
a. Activities of providing internet access by the operator of the wired infrastructure	61104
b. Other satellite telecommunications activities	61309
c. Other telecommunications activities	61900

### 8. List three key products/services that the Company manufactures/provides (as in balance sheet):

- Voice Solutions (VS) and
- Data Managed Services (DMS)

### 9. Total number of locations where business activity is undertaken by the Company

- Number of International Locations (Provide details of major 5):** As on March 31, 2021, the Company has 57 subsidiaries in 37 countries.

- Number of National Locations:** The Company has offices in all major cities in India.

### 10. Markets served by the Company - Local/State/National/International

The Company along with its subsidiaries provides telecommunications services across the globe.

## Section B: Financial Details of the Company

### 1. Paid up Capital (₹): ₹285 crores

### 2. Total Turnover (₹):

	₹ in crores	
	Standalone	Consolidated
Total Turnover	6,499.88	17,256.86

### 3. Total profit after taxes (₹):

	₹ in crores	
	Standalone	Consolidated
Profit / (loss) after taxes	962.66	1,251.52

### 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%).

During the financial year 2020-21, the Company spent an amount of ₹9.22 crores which exceeded the prescribed CSR budget (2% of profit after tax) of ₹9.17 crores, of which -17% was on affirmative action and communities.

### 5. List of activities in which expenditure in 4 above has been incurred: -

- Education
- Employability and Sustainable Livelihoods
- Healthcare
- Disaster Relief - Covid-19 Relief and Support

## Section C: Other Details

### 1. Does the Company have any Subsidiary Company/Companies?

Yes

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

The BR initiatives are driven by the parent Company and all the subsidiaries contribute towards such initiatives as and when required.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company does not make it mandatory for its suppliers/distributors to participate in its BR initiatives.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

- Details of the Director/Director responsible for implementation of the BR policy/policies

- DIN Number:** 08616830
- Name:** Amur S. Lakshminarayanan
- Designation:** Managing Director and CEO

### b) Details of the BR head

Sr. No.	Particulars	Details
1.	<b>DIN Number (if applicable)</b>	NA
2.	<b>Name</b>	Aadesh Goyal
3.	<b>Designation</b>	Chief Human Resource Officer and Global HR Head
4.	<b>Telephone number</b>	+91 11 66505060
5.	<b>e-mail id</b>	aadesh.goyal@tatacommunications.com

### 2. Principle-wise Business Responsibility Policy/Policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business responsibility. Briefly, they are as follows:

#### Principle- 1

Business should conduct and govern themselves with ethics, transparency and accountability.

#### Principle- 2

Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

#### Principle- 3

Business should promote the wellbeing of all employees.

#### Principle- 4

Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

#### Principle- 5

Business should respect and promote human rights.

#### Principle- 6

Business should respect, protect and make efforts to restore environment.

#### Principle- 7

Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

#### Principle- 8

Business should support inclusive growth and equitable development.

#### Principle- 9

Business should engage with and provide value to their customers and consumers in a responsible manner.

**a. Details of Compliance (Reply in Y/N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.tatacommunications.com/investors/governance/								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

Not Applicable

**3. Governance related to BR**

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

More than 1 year

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Communicating how we have fared on the sustainability scale not only increases

transparency but also augments our accountability to our stakeholders. We are committed to transparency in our communication with all our stakeholders and communicate periodically with all our stakeholders through our Sustainable Development Report as per Global Reporting Initiative ('GRI') on an annual basis.

The Sustainable Development Report provides an organisational overview, strategy, management approach disclosure, performance indicators and our initiatives for material topics. It can be accessed on the Company's website at the following link:

<https://www.tatacommunications.com/about/sustainability/>.

**Section E: Principle-wise performance**

**Principle 1**

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No.**

No

**Does it extend to the Group / Joint entities / Suppliers / Contractors / NGOs / Others?**

The Tata Code of Conduct and Tata Communications' Anti-corruption Policy are applicable to Tata Communications Limited and its subsidiaries. Tata Communications, adopting a risk-based approach, cascades the obligation to comply with the aforementioned policies to appropriate categories of third parties such as vendors, resellers, partners, agents, NGOs, etc. The Company may waive all or a portion of these requirements for selected third parties; however, such waiver is granted only after reviewing the policies of the third party and being satisfied that the third party's policies have principles/conditions no less stringent than those set forth in the Tata Code of Conduct and Tata Communications' Anti-Corruption Policy. Furthermore, in these instances, a copy of the third party's code of conduct and/or anti-corruption policy is generally attached as an exhibit to the governing agreement.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Given below are the statistics of the Whistle Blower cases received and actioned during financial year 2020-21:

Financial Year	Complaints reported, investigated and closed	Complaints found to be valid and actioned
2020-21	Complaints Reported - 48 Complaints Closed - 26	13

**Principle 2**

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Tata Communications is a digital ecosystem enabler serving voice, data and next-generation service needs of carriers, enterprises and consumers across the world. Tata Communications does not deal in any physical products. However, we believe in the principles of Environmental and Social Stewardship at the forefront.

Apart from being a digital ecosystem enabler, we aim at linking business, environment and society through innovative and low carbon products and solutions. We believe in developing and delivering green solutions for our customers to help them enhance their competitiveness and to allow their supply chains to be environmentally friendly. We offer and are further developing a range of low carbon products and services from our Network, IoT, MES, Cloud, Business Collaboration streams, which helps in cost savings, business optimisation, avoidance of travel, automation etc. ultimately resulting in conserving energy and reducing their Green House Gas ('GHG') emissions.

For more details refer to our Sustainable Development Report available on the Company's website at <https://www.tatacommunications.com/about/sustainability/>

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Our energy consumption over the years has decreased as we have expanded, mainly due to our focus towards optimising our energy efficiency with an aim to continuously measure energy consumption, while also identifying any leakages in our operating procedures. This year, our Indian Facility Infrastructure Management operations identified a total of 70 opportunities involving projects related to Heating,

Ventilation and Air Conditioning ('HVAC'), Switched-Mode Power Supply ('SMPS') and Uninterruptible Power Supply ('UPS') efficiency enhancement / optimisation and consolidation, Smart Lighting (conversion of conventional lighting into LED), usage of IoT (Internet of Things) and reduction in State Electricity Board ('SEB') contract demand. Out of the 70 identified opportunities, 51 projects stand completed, and we have achieved savings of around 4.30 million KWH in energy consumption.

The Company is also an ISO 14001 certified organization with regular audits and all processes are aligned with respect to the safe disposal of wastes and all emissions are within the limits prescribed by the Central Pollution Control Board ('CPCB') and State Pollution Control Board ('SPCB').

We also carried out carbon value chain assessment to understand the environmental benefits provided by our low carbon products and solutions at our customer/client end. Study included sampled low carbon products and services from our Network, IoT, MES, Cloud, Business Collaboration streams deployed in FY 2020 and were mapped with Tata Communications own operational GHG Emissions (Scope 1 and 2) in FY 2019-20. The study confirms that the potential GHG emission reductions through Tata Communications' low carbon products and solutions in the above highlighted six segments was around 390,000 metric tonnes of CO2e, which works out to estimated carbon savings of three times the emissions produced by operations of Tata Communications operations in FY 2019-20. This report was also assured by a third party.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Tata Communications is engaged in the business of providing international telecommunications services. The criteria for procurement of goods and services are reliability, quality and price.

Although our suppliers follow and sign the Tata Code of Conduct which includes relevant aspects pertaining to sustainable sourcing, Tata Communications is considering developing a framework for its suppliers keeping in mind sustainability procurement practices.

**4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The criteria for procurement of goods and services are reliability, quality and price. Tata Communications gives preference to small organisations, particularly promoted by entrepreneurs, wherever feasible.

**5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company's nature of business is such that it does not result in significant emissions or creation of significant process wastes.

We are focused towards achieving operational efficiency by reducing the amount of waste generated. Our motto for waste management, like in other resource management areas, is driven by the 3R's - Reduce, Reuse and Recycle. As a service company, we do not produce a lot of waste but we generate different types of waste at our facilities which include unsegregated solid waste such as food, paper and consumables, e-waste such as IT hardware and telecom equipment, and other wastes. All hazardous waste including e-waste and battery waste is properly collected and disposed through registered recyclers. Non-hazardous waste like food, paper, plastic, plant thrush is collected and segregated separately at each of the facilities' in India and is measured and reported accordingly. Further organic waste like food waste, plant thrush and paper waste is properly disposed / recycled in organic waste convertors or shared with recyclers for further gainful use. This year we recycled 33% of non-hazardous waste.

For more details refer to our Sustainable Development Report available on the Company's website at <https://www.tatacommunications.com/about/sustainability/>

**Principle 3**

**1. Please indicate the Total number of employees.**

Tata Communications Limited along with its subsidiaries employs 12,185 on-roll employees as on March 31, 2021.

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

On-roll Employees - 12,185

Manpower Off-roll Employees - 6415

Total Employees - 18,600

**3. Please indicate the Number of permanent women employees.**

2,685 permanent women employees (22% of total on-roll employees)

**4. Please indicate the Number of permanent employees with disabilities**

Tata Communications Limited provides equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality and different ability status.

**5. Do you have an employee association that is recognised by management?**

Yes

**6. What percentage of your permanent employees is members of this recognised employee association?**

2.2% employees. (India NM Employees: 264)

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	1	NIL
3.	Discriminatory employment	NIL	NIL

**8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

The Company conducts safety training such as fire drills for all its employees periodically. The Company has in place a structured training program for its employees.

**Principle 4**

**1. Has the company mapped its internal and external stakeholders?**

Yes, the Company considers anyone who has an interest in its business and who can affect or is affected by its business as its stakeholder. The key internal and external stakeholders include government, regulatory bodies, communities local to our operations, investors and shareholders, present and future employees, vendors, partners, customers, etc.

**2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalised stakeholders?**

Yes, the Company focuses on children, youth, and women from socially and economically underserved and vulnerable background such as Affirmative Action communities (Dalits and Tribals).

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes.

The Company has adopted the Tata Affirmative Action Programme ('TAAP') to fight societal inequities by empowering the vulnerable and underserved communities. Two of the initiatives - MPowered and School of Hope and Empowerment ('S.H.E.') works with more than 80% Affirmative Action ('AA') beneficiaries. We leverage our expertise of professionals to support the underserved communities through our Global Employee Volunteering Program ('GEVP'), a multi-stakeholder

employee volunteering program that is designed to create maximum impact through collaborations and is aligned to organisational imperatives.

Our efforts towards COVID-19 were guided by a response framework aimed at leveraging our strengths to support communities under three significant areas: extending digital infrastructure support, bolstering healthcare services and providing relief goods. We partnered with Tata Power – Delhi Distribution Limited ('TP-DDL') to provide support to the underprivileged people of the Jhuggi-Jhopri cluster of North and North-west Delhi through the Sofia Educational and Welfare Society. Ration kits and hygiene supplies were identified as the most immediate need of the community, these were distributed to the 1,000 daily wage workers and underserved families for 10 days. Another initiative of this partnership was based on the livelihood model – preparation and distribution of handmade masks. 55 women from the vocational training programme of Sofia Educational and Welfare Society were supported through this initiative. These reusable, washable and doubled layer cotton masks protected thousands from coronavirus and at the same time helped these underprivileged women who have lost their livelihood sources during the lockdown period.

Support was also extended to COVID-19 impacted communities through initiating global employee contribution with dollar-to-dollar match by the organisation. A total of ₹76 Lakhs was collected and donated to Tata Community Initiative Trusts towards supporting distressed families with dry ration kits, PPE kits, masks, gloves etc., as well, migrant workers with cooked meals.

We ensured children's and communities' well-being during the pandemic by extending our support to three of our long-term partners KEF, CHIP and Parikrma Humanity Foundation by repurposing existing funds and providing additional financial aids to provide COVID-19 relief measures (dry ration kits, basic hygiene supplies) for the children and communities in Haryana (1,100+ beneficiaries in the community with clothes and food), Mumbai (500 students and their families for 15 days) and Bengaluru (1,500 students and their families) during the pandemic.

Non-financial support included providing Tata ClassEdge with enhanced digital infrastructure to support schools in accessing the content and platform online during the lockdown.

### **Principle 5**

#### **1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Tata Code of Conduct ('TCoC') and the Company's Global Dignity in the Workplace Policy ('DWP') outline our values and approach towards human rights. The TCoC and DWP cover the Company and its subsidiaries and apply to all sets of defined internal and external stakeholders.

#### **2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

None

### **Principle 6**

#### **1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

Yes, it covers the Company and also extends to its subsidiaries and third parties like suppliers and contractors, subject to it being limited to the Company's contracts and arrangements.

#### **2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

At Tata Communications, we recognise that we have a social and economic responsibility to act to reduce our footprint and to engage constructively on climate change issues. By understanding the risks and opportunities of climate change, and how these affect the organisation, we can reduce our own impact on the environment and make a positive contribution to the cause. Our innovation efforts are focused on increasing our Renewable Energy footprint and reducing our GHG emissions; enhancing our energy efficiency and finding more carbon-neutral solutions for network operations.

For more details refer to our Sustainable Development Report available on the Company's website at <https://www.tatacommunications.com/about/sustainability/>

#### **3. Does the company identify and assess potential environmental risks?**

Yes. The environment risk and consequential issues arising out of it are part of risk assessment and mitigation process.

#### **4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No, the Company does not have any current project on Clean Development Mechanism.

#### **5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.**

Yes.

In our operations across the globe, almost 14% (23 million units) of the electricity used in the reporting period was procured either from wind or solar energy. The major locations harnessing green energy are Delhi, Chennai, Bangalore, Hyderabad and Pune.

For more details refer to our Sustainable Development Report available on the Company's website at <https://www.tatacommunications.com/about/sustainability/>

#### **6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the Company is compliant with regular audits and all processes are aligned with respect to the safe disposal of wastes and all emissions are within the limits prescribed by the Central Pollution Control Board ('CPCB') and respective State Pollution Control Board ('SPCB').

#### **7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There are no show cause notices issued by any statutory authorities for non-compliances from CPCB/ SPCB.

### **Principle 7**

#### **1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes.

Tata Communications Limited is a member of the Internet Service Providers Association of India and the National Internet Exchange of India.

#### **2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

In order to bring transparency in its decision-making process, the Telecom Regulatory Authority of India has evolved a consultative process wherein on important issues pertaining to Telecom sector, Consultation Papers are issued by it eliciting response from the stakeholders including Tata Communications Limited. The Consultation Paper, post the response from all the stakeholders, is followed by an Open House discussion wherein all the stakeholders put forward their views on the issued involved in the consultation. Tata Communications Limited participates in all such consultation processes which are relevant to our line of business and puts forth its views in a fair and transparent manner.

We also gives our inputs to the Government / Regulator as and when the same are called for.

We perform the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and while doing so, take into account both our corporate as well as the larger national interest.

### **Principle 8**

#### **1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes.

Information and Communications Technology ('ICT'), a core business expertise of Tata Communications, is widely recognized to enable inclusive growth and equitable development at multiple levels. The United Nations recognizes ICT as a 'means of implementation' for the 17 Sustainable Development Goals ('SDGs'). Tata Communications believes that it is ideally positioned to support the realization of the global goals and has therefore adopted the SDG framework for its organisation-wide Corporate Social Responsibility ('CSR') programs. We collaborate

with NGOs to implement long term projects in the areas of healthcare, education and employability and sustainable livelihoods. Under each area, the focus is on Affirmative Action (AA) communities – the Dalits and Tribals, an imperative of the Tata Group. Since 2007, TAAP has been adopted to address structural and social inequities in India by providing equal opportunities and inclusive growth to historically underserved social groups. Overall, our programmes are designed to enhance the life situations of underserved sections of the community, particularly of women, young girls and youth. In FY 2020-21, 17% of the total CSR budget was spent on Affirmative Action projects.

Our flagship project MPowered aims to empower the poorest and most vulnerable women (the ultra-poor) by enhancing their livelihood through customized mobile technology and interventions that support sustainable livelihood development, and digital, social and financial inclusion. In FY 2020-21, the project has benefited 16,210 individuals, comprising 85% direct AA outreach in aspirational districts - Sundargarh and Bolangir of Odisha and West Singhum and Pakur of Jharkhand.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The entire CSR portfolio is managed by a dedicated team of in-house CSR professionals. We collaborate with NGO partners, trusts, society, or Section 8 companies or at times directly implement projects. Additionally, through a Global Employee Volunteering Program, we leverage the skills of the employees to support specific project activities based on their knowledge and skillsets.

**3. Have you done any impact assessment of your initiative?**

Yes.

We believe that impact assessment is a key element of CSR initiatives and hence it is integrated into the design of the projects. We evaluate our projects regularly a) by having monthly/quarterly/ bi-annual reviews, b) by undertaking site visits and c) by undertaking impact assessment through an independent agency to ensure that the projects are course corrected to be responsive to the needs of the communities. During the COVID-19 pandemic,

the CSR function worked with the NGO partners to reassess the needs of the community and repurpose funds wherever required.

In FY 2020-21, a third-party impact assessment was carried out for 'ANew Education Worldview ('ANEW')'. ANEW facilitates holistic school reformation in 110 government schools across Gurugram District (Haryana) by equipping teachers with evolved teaching practices, integrating technology into the curriculum of first-generation learners, improving learning levels of students, reducing dropout rates, and enhancing community ownership. The project is implemented with the support of Gandhi Fellows, young individuals between 20 and 25 years of age pursuing a fellowship program for 2 years who consistently engage with district education officers, head-teachers, teachers, children, parents, and communities to ensure successful and sustainable social impact. The study included a 360-degree view from the ground by conducting discussions with the stakeholders across the spectrum and adopted the Organization for Economic Cooperation and Development's ('OECD') Development Assistance Committee ('DAC') framework and mixed methods approach to understand the relevance, effectiveness and impact of the program both quantitatively and qualitatively.

The study highlighted that the project interventions are helping the learners in improving their learning outcomes, created by the Saksham Haryana initiative, through additional support of Gandhi Fellows and learning from leadership skills training, as reported by parents, teachers and government stakeholders. Also, there was a positive impact among Gandhi Fellows in terms of improving problem-solving ability, community engagement ability, leadership skills, teamwork skills among the fellows.

**4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

Tata Communications spent ₹9.22 crores, which was more than the prescribed CSR budget of ₹9.17 crores in FY 2020-21. For details of the projects please refer to Annexure I to the Directors' Report - Annual Report on CSR Activities.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes

As a practice, Tata Communications establishes long-term partnerships to provide ample time for creating an impact and successful adoption of the community initiatives. Our community initiatives are undertaken in a project mode with defined activities for each stakeholder. These activities are further mapped to outputs and outcomes with specified targets. Also, our initiatives include strategies for creating champions in the community and forging a strategic partnership with groups/ institutions at grass root levels to have a sustainable impact in the community.

We ensure community participation practices are incorporated in most projects to promote and validate the affirmative response from the community. For example: In our ongoing education projects, our focus is to improve the quality of education through the digital enablement of institutions by the engagement of local stakeholders (educators - teachers, headteachers, youth and district officials). We also, support our project partners in building expertise through our annual all partner connects for further advancing community participation in project activities.

This is all governed by a defined project-specific Monitoring and Evaluation framework. We use a web-based tool to monitor projects. This helps us to course correct the project during monthly interactions and virtual/ site visits with project partners to provide guidance in achieving the specified targets and objectives.

**Principle 9**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company is engaged in the business of providing national and international telecommunications services; hence this is not applicable.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

The Company being in the business of providing telecommunications services; the same is not applicable.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

There are no cases pending against the Company regarding unfair trade practices, abuse of dominant position or anti-competitive practices.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Customer satisfaction surveys are conducted once every year and improvement actions are taken on the basis of the surveys.

# Standalone Financial Statements



## INDEPENDENT AUDITOR'S REPORT

To the Members of **Tata Communications Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Tata Communications Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021 the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Emphasis of Matter

- i. As fully discussed in note 45(a)(2)(ii) to the standalone financial statements for the year, the Company had received demands dated September 12, 2019 from Department of Telecommunications (DoT) towards license fee on its Adjusted Gross Revenue (AGR) for FY 2006-07 to 2017-18, for ₹6,633.43 crores. Of this amount, the Company has provided ₹337.17 crores with respect to the demand of ₹5,433.70 crores and believes that the likelihood of the balance demand ₹5,096.53 crores materializing is remote. Further, the Company has disclosed the demand of ₹1,199.73 crores as part of contingent liability. The Company believes that it has grounds to defend its position and has also obtained a legal opinion in this regard.
- ii. As fully discussed in Note 7 to the standalone financial statements, the recoverability of the carrying value of the investment in Tata Communications Payment Solutions Limited ('TCPSL' - wholly owned subsidiary of the Company) of ₹923.03 crores is significantly dependent upon the achievement of the key assumptions related to increase in the Inter Bank Rate (IBR) which is pending regulatory clearances/ approval. Subject to the positive outcome of the above; and based on the business plan assessment done by the management during the year ended March 31, 2021, the management is of the view that the carrying value of the investment in TCPSL as at March 31, 2021 is appropriate.

Our opinion is not modified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone

financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment of investments in Subsidiaries and Associates (as described in note 7 of the financial statements)</b></p> <p>Annually, the management assesses the existence of impairment indicators for each non-current investment and in case of occurrence, such investments are subjected to an impairment test.</p> <p>As at the reporting date, the Company has non-current investments in subsidiaries, associates and others amounting to ₹3,577.28 crores, out of which, the management has identified impairment indicators such as net worth erosion and loss in the current year, in respect of certain investments in subsidiaries.</p> <p>Accordingly, these investments have been tested for impairment as at year end in accordance with Indian Accounting Standard ('Ind AS') 36, "Impairment of Assets".</p> <p>In consideration of the judgments required in particular with reference to the forecast of cash flows and the assumptions used in estimating the value-in-use of these subsidiaries, we have identified this matter to be a key audit matter.</p>	<p>Our audit procedures related to this key audit matters included the following:</p> <p>We assessed the processes and key controls implemented by the Company related to the identification of impairment loss and determination of necessary impact thereof.</p> <p>We obtained the business projections, specified in the Annual Operating Plan of the Company for the financial year 2021-22. We have understood the reasons for the projected growth basis our discussion with the Management and compared the projections with the past trend.</p> <p>We assessed the valuation methodology and evaluated the key assumptions used by the management in the valuations, by comparing with those prevailing in the sector, using valuation experts, who also performed an independent calculation and sensitivity analysis on key assumptions.</p> <p>We assessed the disclosure made in the standalone financial statements.</p>
<p><b>Receivable on account of Access Facilitation Charges ('AFC') (as described in note 11(i) of the standalone financial statements)</b></p> <p>On November 28, 2018, Telecom Regulatory Authority of India ('TRAI') re-enacted schedules to 2012 Regulation, containing AFC and Operation &amp; Maintenance ('O&amp;M') recovery rates with respect to the use of Cable Landing Stations ('CLS'), pursuant to the High Court judgement dated July 2, 2018 and the Hon'ble Supreme Court judgment dated October 8, 2018. TRAI specified that these revised rates are applicable prospectively.</p>	<p>Our audit procedures related to this key audit matters included the following:</p> <p>We evaluated the customer correspondences and various judgements pronounced by the High court, the Hon'ble Supreme Court and TDSAT.</p> <p>We tested the underlying computation of necessary adjustments recorded in the books.</p> <p>We assessed the disclosure made in these standalone financial statements.</p>

#### Key audit matters

The Company was recognizing AFC revenue and recovery of the O&M charges, as per the erstwhile rates specified in schedules to 2012 Regulation. In view of above facts, during the year ended March 31, 2019 the Company recognized the differential AFC revenue and O&M charges of ₹348.75 crores for the period January 2013 to November 2018, as per the rates specified in the contracts with the customers.

The customers contested the revised order in the Hon'ble Supreme Court, which in its meeting held on January 28, 2019 directed the TDSAT for evaluation. The TDSAT issued an order dated April 16, 2020 stating the rates are applicable prospectively from November 28, 2018.

The customers have preferred an appeal in Hon'ble Supreme Court against the TDSAT order seeking an interim stay on the order, which is pending. The Company as at March 31, 2021 has receivable of ₹164.11 crores towards the AFC revenue for the period January 2013 to November 2018.

Considering the significance of the amount to the standalone financial statements, the fact that the matter is currently litigative, and management judgement of considering the receivable towards the AFC revenue as recoverable and good, we have considered the matter to be key audit matter.

#### Assessment of impairment of Receivables due to the impact of Covid (as described in note 49 of the standalone financial statements)

Covid-19 outbreak continues to spread across the globe and India, which has contributed to significant impact to the global financial and economic activities. The Company has assessed the impact of the global pandemic on the financial statements, including the subsequent events upto the reporting date as below;

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions at each reporting date. The management has considered impact of the pandemic on the customer's industry-segment to estimate the probability of default in future on the receivable.

In consideration of the judgments required and considering the uncertainty of estimations, we have considered the matter to be a key audit matter.

#### How our audit addressed the key audit matter

Our audit procedures related to this key audit matters included the following:

We tested the effectiveness of controls over the development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions.

We validated the estimates and assumptions used by the management in determining the carrying value of receivables by verifying the underlying calculations and reviewing historical defaults in payment by the customers of the Company.

We reviewed the industry-segment assessment of the management, evaluated the same basis publicly available information and compared with our assessment.

We also made corroborative inquires with appropriate level of management. We tested the mathematical accuracy of the computation done of the allowances.

We assessed the disclosure made in the standalone financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 45 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Prashant Singhal**

Partner

Membership Number: 93283

Place of Signature: New Delhi

Date: April 28, 2021

## Annexure 1 referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our Report of even date

Re: Tata Communication Limited (the "Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment and investment property are held in the name of the Company except five immovable properties aggregating to gross block of ₹ 35.98 crores and net block of ₹ 21.89 crores as at March 31, 2021, as disclosed in note 3(a) to the standalone financial statements, for which title deeds were pending registration or not available with the Company and hence, we are unable to comment on the same.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to International long distance services, National long distance services, Internet service provider services and certain other services and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income tax, sales tax, service tax, value added tax and other statutory dues on account of any dispute, are as follows :

Sr No	Name of Statute	Nature of dues	Amount (₹in crores)	Period to which the amount relates	Forum where dispute is pending
1		Income Tax	1.02	AY 1997-1998	Appellate Authority,
2		Income Tax	3.88	AY 2013-2014	Income Tax Officer
3		Income Tax	428.94	AY 2007-2008 to AY 2012-2013	Income Tax Appellate Tribunal
4		Income Tax	72.78	AY 2014-15	
5		Income Tax	153.94	AY 2015-16	
6		Income Tax	155.52	AY 2016-17	
7		Income Tax - TDS	205.50	Various Years	Commissioner (Appeal) (TDS) - Income Tax
8	Income Tax Act, 1961	Income Tax	224.83	AY 1999-2000 to 2000-2001	High Court
9		Income Tax	141.49	AY 2002-2003	
10		Income Tax	366.40	AY 2003-2004 to 2005-2006	
11		Income Tax	70.70	AY 2006-2007	
12		Income Tax	3.74	AY 2006-2007	Supreme Court
13		Income Tax	0.15	AY 2007-2008	Income Tax Appellate
14		Income Tax	74.42	AY 2009-2010 to 2011-2012	Tribunal
15		Income Tax	70.12	AY 2018-2019	Appellate Authority - CIT(A)
16	Finance Act, 1994	Service Tax	97.56	Various Years	Various forum
17	Goods and Services Tax Act, 2017	Goods and Service Tax	0.12	AY 18-19	The Deputy Commissioner (Appeals)- Gujarat
18		Sales Tax and VAT	1.47	AY 2007-08 to 2008-09	West Bengal Commercial Tax Appellate
19	Central Sales Tax, 1956 and Value Added Tax	Sales Tax and VAT	1.56	AY 2015-16 to 2017-2018	Commercial Tax Officer
20		Sales Tax and VAT	1.90	AY 2016-17	Commercial Tax Officer
21		Sales Tax and VAT	2.48	AY 2017-18	West Bengal Commercial Tax Appellate
22	Central Sales Tax, 1956 and Value Added Tax	Sales tax and VAT	7.55	AY 2007-2008 to AY 2017-2018	Commercial Tax Officer

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government or dues to debenture holders.

Company has utilized the monies raised by way of debt instruments in the nature of Redeemable Non-convertible Debentures for the purposes for which they were raised.

(ix) In our opinion and according to the information and explanations given by the management, the

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information

and explanations given by the management, we report that no material fraud on the Company or by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence, not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or

partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per **Prashant Singhal**  
Partner

Membership Number: 93283

Place of Signature: New Delhi  
Date: April 28, 2021

## Annexure 2 To The Independent Auditor's Report Of Even Date On The Standalone Financial Statements Of Tata Communications Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Tata Communications Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established

and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference

to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per **Prashant Singhal**  
Partner  
Membership Number: 93283

Place of Signature: New Delhi  
Date: April 28, 2021

**BALANCE SHEET** as at 31 March 2021

(₹ in crores)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>A ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	3,725.85	3,804.01
(b) Capital work-in-progress		155.08	117.29
(c) Right of Use asset	4	494.12	573.67
(d) Investment property	5	287.99	298.42
(e) Other intangible assets	6	436.53	478.58
(f) Intangible assets under development		49.96	32.18
(g) Investment property under development		116.21	97.74
(h) Financial assets			
(i) Investments	7A	3,577.28	3,472.97
(ii) Other financial assets	8A	149.06	90.90
(j) Deferred tax assets (net)	9	336.24	318.03
(k) Advance tax (net)	45(a)(1)	1,665.46	1,414.01
(l) Other assets	10A	138.49	103.65
<b>Total non-current assets</b>		<b>11,132.27</b>	<b>10,801.45</b>
<b>(2) Current assets</b>			
(a) Inventories		18.05	68.32
(b) Financial assets			
(i) Other investments	7B	1,158.77	564.77
(ii) Trade receivables	11	1,089.84	1,299.69
(iii) Cash and cash equivalents	12	197.50	162.95
(iv) Other bank balances	13	51.74	0.77
(v) Other financial assets	8B	126.25	135.61
(c) Other assets	10B	296.26	339.03
		<b>2,938.41</b>	<b>2,571.14</b>
Assets classified as held for sale	14	127.01	117.10
<b>Total current assets</b>		<b>3,065.42</b>	<b>2,688.24</b>
<b>Total assets</b>		<b>14,197.69</b>	<b>13,489.69</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	15	285.00	285.00
(b) Other equity	16	8,781.53	7,935.60
<b>Total equity</b>		<b>9,066.53</b>	<b>8,220.60</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17A	532.14	10.64
(ii) Other financial liabilities	18A	58.91	18.68
(iii) Lease liabilities		402.53	436.09
(b) Provisions	19A	240.03	243.13
(c) Other liabilities	20A	383.07	425.61
<b>Total non-current liabilities</b>		<b>1,616.68</b>	<b>1,134.15</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17B	46.00	532.83
(ii) Trade payables	21		
(A) Total outstanding dues of micro enterprises and small enterprises		13.04	7.58
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,518.95	1,583.87
(iii) Other financial liabilities	18B	566.18	823.46
(iv) Lease liabilities		48.36	29.87
(b) Provisions	19B	89.32	77.95
(c) Current tax liability (net)		426.69	245.29
(d) Other liabilities	20B	801.45	820.85
(e) Liabilities for assets classified as held for sale		4.49	13.24
<b>Total current liabilities</b>		<b>3,514.48</b>	<b>4,134.94</b>
<b>Total equity and liabilities</b>		<b>14,197.69</b>	<b>13,489.69</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No. 101049W/ E300004

**PRASHANT SINGHAL**  
Partner  
Membership No. 93283

New Delhi  
Date: 28 April 2021

For and on behalf of the Board of Directors

**RENUKA RAMNATH**  
Chairperson  
Mumbai

**KABIR AHMED SHAKIR**  
Chief Financial Officer  
New Delhi  
Date: 28 April 2021

**AMUR S. LAKSHMINARAYANAN**  
Managing Director & CEO  
Mumbai

**ZUBIN PATEL**  
Company Secretary  
Mumbai

**STATEMENT OF PROFIT AND LOSS** for the year ended 31 March 2021

(₹ in crores)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>INCOME</b>			
<b>I Revenue from Operations</b>		6,225.32	5,750.33
<b>II Other income</b>	22	274.56	180.27
<b>III Total income (I + II)</b>		<b>6,499.88</b>	<b>5,930.60</b>
<b>IV EXPENSES</b>			
Network and transmission	23	1,920.74	1,842.35
Employee benefits	24	1,104.61	998.83
Operating and other expenses	25	1,216.43	1,337.09
Finance cost	27	106.73	55.19
Depreciation and amortisation	26	972.89	977.44
<b>Total expenses</b>		<b>5,321.40</b>	<b>5,210.90</b>
<b>V Profit before exceptional items and taxes (III-IV)</b>		<b>1,178.48</b>	<b>719.70</b>
<b>VI Exceptional items</b>	28	50.82	(346.15)
<b>VII Profit/ (Loss) before tax (V+VI)</b>		<b>1,229.30</b>	<b>373.55</b>
<b>VIII Tax expense</b>	34		
(a) Current tax		286.92	238.48
(b) Deferred tax		(20.28)	(73.71)
<b>IX Profit/ (Loss) for the year (VII - VIII)</b>		<b>962.66</b>	<b>208.78</b>
<b>X Other comprehensive income/ (loss)</b>			
<b>a. Items that will not be reclassified to profit or loss</b>			
(i) Remeasurement of the defined benefit plans		(3.65)	(42.77)
(ii) Equity instruments through other comprehensive income		-	-
<b>b. Income tax relating to items that will not be reclassified to profit or loss</b>		0.92	10.76
<b>Total other comprehensive income/ (loss) (a+b)</b>		<b>(2.73)</b>	<b>(32.01)</b>
<b>XI Total comprehensive income/ (loss) for the year (IX+X)</b>		<b>959.93</b>	<b>176.77</b>
<b>XII Earnings per equity share</b>			
Basic and diluted (of ₹ 10 each)	37	<b>33.78</b>	<b>7.33</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No. 101049W/ E300004

**PRASHANT SINGHAL**  
Partner  
Membership No. 93283

New Delhi  
Date: 28 April 2021

For and on behalf of the Board of Directors

**RENUKA RAMNATH**  
Chairperson  
Mumbai

**KABIR AHMED SHAKIR**  
Chief Financial Officer  
New Delhi  
Date: 28 April 2021

**AMUR S. LAKSHMINARAYANAN**  
Managing Director & CEO  
Mumbai

**ZUBIN PATEL**  
Company Secretary  
Mumbai

## CASH FLOW STATEMENT for the year ended 31 March 2021

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>1 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>PROFIT/ (LOSS) BEFORE TAX</b>	<b>1,229.30</b>	<b>373.55</b>
Adjustments for non cash items:		
Depreciation and amortisation	972.89	977.44
Interest income	(15.98)	(3.66)
Finance cost	106.73	55.19
Gain on disposal of assets held for sale (exceptional item, advance received in previous period)	(67.38)	-
Gain on investments at fair value through profit and loss (net)	(39.22)	(20.36)
Dividend income	(101.09)	(68.69)
Unrealised foreign exchange gain/ (loss) (net)	(10.27)	32.55
Allowance for doubtful trade receivables	35.71	29.53
Provision for inventories and capital work-in-progress	15.09	30.23
Allowance for doubtful advances	1.15	1.03
Provision towards advances (refer note 29)	-	5.92
Bad debts written off	1.75	-
Advances written off	-	0.96
(Gain)/ loss on disposal of property, plant and equipment (net)	0.48	(2.23)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,129.16</b>	<b>1,411.46</b>
<b>Changes in working capital</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	46.75	(16.35)
Trade receivables	172.39	(32.54)
Other assets	33.87	(86.09)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(59.46)	(210.63)
Other liabilities	(311.29)	210.91
Provisions	(10.00)	10.68
<b>Cash generated from operations before tax</b>	<b>2,001.42</b>	<b>1,287.44</b>
Income tax paid (net of refund)	(353.98)	(179.40)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,647.44</b>	<b>1,108.04</b>
<b>2 CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(870.71)	(1,165.64)
Proceeds from disposal of property, plant and equipment and intangible assets	3.09	2.25
Proceeds from disposal of assets held for sale	0.41	-
Purchase of non-current investments	(104.31)	(49.38)
Purchase of current investments	(5,876.40)	(6,684.76)
Proceeds from sale of current investments	5,321.62	6,589.79
Advance received towards assets held for sale	9.11	144.35
Dividend income from subsidiaries	101.09	68.69
Fixed deposits	(50.00)	-
Interest received	12.78	2.34
Earmarked funds	(0.97)	2.72
Fixed deposits transferred as part of Land demerger	-	(2.90)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(1,454.29)</b>	<b>(1,092.54)</b>

## CASH FLOW STATEMENT for the year ended 31 March 2021

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>3 CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	142.68	543.87
Repayment of short-term borrowings	(619.24)	(460.58)
Proceeds from long-term borrowings	524.29	10.64
Repayment of long-term borrowings	(2.79)	-
Repayment of lease liabilities	(68.88)	(26.80)
Dividend paid including dividend tax	(114.00)	(140.49)
Interest paid	(20.66)	(30.63)
Working Capital Borrowings availed	-	105.20
<b>NET CASH GENERATED/ (USED IN) FINANCING ACTIVITIES</b>	<b>(158.60)</b>	<b>1.21</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>34.55</b>	<b>16.71</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>	<b>162.95</b>	<b>146.24</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (refer note 12)</b>	<b>197.50</b>	<b>162.95</b>

i. Figures in brackets represent outflows.

See accompanying notes forming part of the financial statements

In terms of our report attached

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 101049W/ E300004

For and on behalf of the Board of Directors

**PRASHANT SINGHAL**

Partner

Membership No. 93283

**RENUKA RAMNATH**

Chairperson

Mumbai

**AMUR S. LAKSHMINARAYANAN**

Managing Director & CEO

Mumbai

**KABIR AHMED SHAKIR**

Chief Financial Officer

New Delhi

Date: 28 April 2021

**ZUBIN PATEL**

Company Secretary

Mumbai

New Delhi

Date: 28 April 2021

## STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2021

### A. Equity share capital

(₹ in crores)

Particulars	No. of shares	Amount
<b>Balance as at 01 April 2019</b>	<b>28,50,00,000</b>	<b>285.00</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2020</b>	<b>28,50,00,000</b>	<b>285.00</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2021</b>	<b>28,50,00,000</b>	<b>285.00</b>

### B. Other equity

(₹ in crores)

Particulars	Reserves and surplus				Items of other comprehensive income			Total other equity
	Capital reserve	Securities premium	General reserve	Debenture redemption reserve	Retained earnings	Remeasurement of the defined benefit plans	Equity instruments through other comprehensive income	
<b>Balance as at 1 April 2019</b>	<b>206.06</b>	<b>725.01</b>	<b>5,343.25</b>	<b>37.50</b>	<b>2,576.62</b>	<b>(40.79)</b>	<b>(933.77)</b>	<b>7,913.88</b>
Profit for the year	-	-	-	-	208.78	-	-	208.78
Fixed deposits and surplus land transferred as part of land demerger (refer note 29)	-	-	-	-	(3.06)	-	-	(3.06)
Impact of INDAS 116 transition on retained earnings	-	-	-	-	(11.50)	-	-	(11.50)
Other comprehensive income/(loss)	-	-	-	-	-	(42.77)	-	(42.77)
Tax impact on other comprehensive income/(loss)	-	-	-	-	-	10.76	-	10.76
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>194.22</b>	<b>(32.01)</b>	<b>-</b>	<b>162.21</b>
Dividend paid (including dividend tax)	-	-	-	-	(140.49)	-	-	(140.49)
Transfer from debenture redemption reserve	-	-	37.50	(37.50)	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>206.06</b>	<b>725.01</b>	<b>5,380.75</b>	<b>-</b>	<b>2,630.35</b>	<b>(72.80)</b>	<b>(933.77)</b>	<b>7,935.60</b>
Profit for the year	-	-	-	-	962.66	-	-	962.66
Other comprehensive income/(loss)	-	-	-	-	-	(3.65)	-	(3.65)
Dividend paid (including dividend tax)	-	-	-	-	(114.00)	-	-	(114.00)
Tax impact on other comprehensive income/(loss)	-	-	-	-	-	0.92	-	0.92
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>848.66</b>	<b>(2.73)</b>	<b>-</b>	<b>845.93</b>
<b>Balance as at 31 March 2021</b>	<b>206.06</b>	<b>725.01</b>	<b>5,380.75</b>	<b>-</b>	<b>3,479.01</b>	<b>(75.53)</b>	<b>(933.77)</b>	<b>8,781.53</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No. 101049W/ E300004

**PRASHANT SINGHAL**  
Partner  
Membership No. 93283

New Delhi  
Date: 28 April 2021

For and on behalf of the Board of Directors

**RENUKA RAMNATH**  
Chairperson  
Mumbai

**KABIR AHMED SHAKIR**  
Chief Financial Officer  
New Delhi  
Date: 28 April 2021

**AMUR S. LAKSHMINARAYANAN**  
Managing Director & CEO  
Mumbai

**ZUBIN PATEL**  
Company Secretary  
Mumbai

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 1. Corporate information

**TATA Communications Limited** (the "Company") was incorporated on 19 March 1986. The Government of India vide its letter No. G-25015/6/86OC dated 27 March 1986, transferred all assets and liabilities of the Overseas Communications Service ("OCS") (part of the Department of Telecommunications, Ministry of Communications) as appearing in the Balance sheet as at 31 March 1986 to the Company with effect from 1 April 1986. During the financial year 2007-08, the Company changed its name from Videsh Sanchar Nigam Limited to Tata Communications Limited and the fresh certificate of incorporation consequent upon the change of name was issued by the Registrar of Companies, Mumbai, Maharashtra on 28 January 2008.

The Company is domiciled in India and its registered office is at VSB, Mahatma Gandhi Road, Fort, Mumbai - 400 001. The Company's shares are listed on two recognised stock exchanges in India.

The Company offers international and national voice and data transmission services, selling and leasing of bandwidth on undersea cable systems, internet connectivity services and other value-added services comprising telepresence, managed hosting, mobile global roaming and signalling services, transponder lease, television uplinking and other related services. The Company also undertakes leasing, letting out, licensing or developing immovable properties to earn income of any nature including inter-alia rental, lease, license income, etc from immovable properties of the Company including land and buildings.

### 2. Significant accounting policies

#### a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

#### b. Basis of preparation of financial statements

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer note 2 (o)).

The accounting policies adopted for preparation and presentation of financial statements have been consistently applied. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crores (₹ 00,00,000), except when otherwise indicated.

#### c. Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liability as at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

#### i. Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### Operating lease commitments - Company as lessor

The Company has entered into property leases ('the leases') on its investment property portfolio. The Company has determined the accounting of the leases as operating lease on its Investment property

## Notes forming part of the financial statements

For the year ended 31 March 2021

portfolio, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, the fair value of the asset and the fact that it retains all the significant risks and rewards of ownership of these properties.

### ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### Useful lives of property, plant and equipment, investment property and intangible assets

The Company reviews the useful lives of property, plant and equipment, investment

property and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and / or amortisation expense in future periods.

#### Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### Provision for decommissioning of assets

Provision for decommissioning of assets relates to the costs associated with the removal of long-lived assets when they will be retired. The Company records a liability at the estimated current fair value of the costs associated with the removal obligations, discounted at present value using risk-free rate of return. The liability for decommissioning of assets is capitalised by increasing the carrying amount of the related asset and is depreciated over its useful life. The estimated removal liabilities are based on historical cost information, industry factors and engineering estimates.

#### Impairment of investments in subsidiaries and associates

The carrying values of the investments are reviewed for impairment at each balance sheet date or earlier, if any indication of impairment exists. The Company's telecom business layout and asset structure of its India

## Notes forming part of the financial statements

For the year ended 31 March 2021

and International operations are integrated for delivering products and services to its customers in all jurisdictions. For the purpose of impairment testing, the Company prepares and analyses its business units, on detailed budgets and forecast calculations, which are prepared in an integrated way across all jurisdictions.

#### Deferred Taxes

Assessment of the appropriate amount and classification of income taxes is dependent on several factors, including estimates of the timing and probability of realisation of deferred income taxes and the timing of income tax payments. Deferred income taxes are provided for the effect of temporary differences between the amounts of assets and liabilities recognised for financial reporting purposes and the amounts recognised for income tax purposes. The Company measures deferred tax assets and liabilities using enacted tax rates that, if changed, would result in either an increase or decrease in the provision for income taxes in the period of change. The Company does not recognize deferred tax assets when there is no reasonable certainty that a deferred tax asset will be realized. In assessing the reasonable certainty, management considers estimates of future taxable income based on internal projections which are updated to reflect current operating trends the character of income needed to realise future tax benefits, and all available evidence.

#### Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-

occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions and contingent liabilities are reviewed at each balance sheet date.

### d. Cash and cash equivalents

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts do not form an integral part of the Company's cash management and so the same is not considered as component of cash and cash equivalents.

### e. Property, plant and equipment

Property, plant and equipment is stated at cost of acquisition or construction, less accumulated depreciation / amortisation and impairment loss, if any. Cost includes inward freight, duties, taxes and all incidental expenses incurred to bring the assets ready for their intended use.

Jointly owned assets are capitalised in proportion to the Company's ownership interest in such assets.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date

## Notes forming part of the financial statements

For the year ended 31 March 2021

and is carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

The depreciable amount for property, plant and equipment is the cost of the property, plant and equipment or other amount substituted for cost, less its estimated residual value (wherever applicable).

Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives. The assets' residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Property, plant and equipment	Estimated useful life
i. Plant and machinery	
Network equipment, switches and component**	2 to 13 years
Undersea cable**	20 years or contract period whichever is earlier
Land cable**	15 years or contract period whichever is earlier
Electrical equipment and installations*	10 years
Earth station *	13 years
General plant and machinery*	15 years
ii. Office equipment	
Integrated building management Systems**	8 years
Others*	5 years
iii. Leasehold land	Over the lease period
iv. Leasehold improvements	Asset life or lease period whichever is lower
v. Buildings*	30 to 60 years

Property, plant and equipment	Estimated useful life
vi. Motor Vehicles*	8 to 10 years
vii. Furniture and fixtures*	8 to 10 years
viii. Computers*	3 to 6 years

\*On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

\*\*In these cases, the useful lives of the assets are different from the useful lives prescribed in Schedule II to the Companies Act, 2013. The useful lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

Property, plant and equipment is eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of occurrence.

Cost of property, plant and equipment also includes present value of provision for decommissioning of assets if the recognition criteria for a provision are met.

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets classified as held for sale are presented separately in the balance sheet and are not depreciated post such classification.

### f. Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Indefeasible Right to Use ("IRU") taken for optical fibres are capitalised as intangible assets at the amounts paid for acquiring such rights. These are amortised on straight line basis, over the period of agreement.

## Notes forming part of the financial statements

For the year ended 31 March 2021

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the expected useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortised as follows:

Intangible asset	Expected useful life
Software and application	3 to 6 years
IRU	Over the contract period

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

### g. Investment properties

Investment properties comprise of land and buildings that are held for long term lease rental yields and/or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising of building are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on building is provided over the estimated useful lives (refer note 2(e)) as specified in Schedule II to the Companies Act, 2013. The residual values, estimated useful lives and depreciation method of investment properties are reviewed and adjusted on prospective basis as appropriate, at each

financial year end. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

Though the Company measures investment properties using cost based measurement, the fair values of investment properties are disclosed in note 5(b).

Investment properties are de-recognised when either they have been disposed of or doesn't meet the criteria of investment property when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

### h. Impairment of non-financial assets

The carrying values of assets / cash generating units ("CGU") at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

- an intangible asset that is not yet available for use; and
- an intangible asset with indefinite useful lives.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the fair value less cost of disposal and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based



## Notes forming part of the financial statements

For the year ended 31 March 2021

on an appropriate discount factor. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

The Company bases its impairment calculation on detailed budgets and forecast. These budgets and forecast generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows after the significant period.

### i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Lessee

The Company's lease asset classes primarily consist of leases for Land, buildings and colocation spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer to the accounting policies in note 2(h) Impairment of non-financial assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. The Company uses return on treasury bills with similar maturity as base rate

## Notes forming part of the financial statements

For the year ended 31 March 2021

and makes adjustments for spread based on the Company's credit rating as the implicit interest rate cannot be readily determinable. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet.

#### Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### j. Inventories

Inventories of traded goods, required to provide Data Managed Services ("DMS"), are valued at the lower of cost or net realisable value. Cost includes cost of purchase and all expenses incurred to bring the inventory to its present location and condition. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

### k. Employee benefits

Employee benefits include contributions to provident fund, employee state insurance scheme, gratuity fund, compensated absences, pension and post-employment medical benefits.

#### i. Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees

is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives payable within twelve months.

#### ii. Post-employment benefits

Contributions to defined contribution retirement benefit schemes are recognised as expense when employees have rendered services entitling them to the contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment. These benefits include gratuity, pension, provident fund and post-employment medical benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises changes in service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under employee

## Notes forming part of the financial statements

For the year ended 31 March 2021

benefit expenses in the Statement of Profit and Loss. The net interest expense or income is recognised as part of finance cost in the Statement of Profit and Loss.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

### iii. Other long-term benefits

Compensated absences, which are not expected to occur within twelve months after the end of the period in which the employee renders the related services, are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

### I. Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to the customers for an amount, that reflects the consideration which the Company expects to receive in exchange for those goods or services in normal course of business. Revenue is measured at the fair value of the consideration received or receivable excluding taxes collected on behalf of the government and is reduced for estimated credit notes and other similar allowances.

Types of products and services and their revenue recognition criteria are as follows:

- i. Revenue from Voice Solutions (VS) is recognised at the end of each month based on minutes of traffic carried during the month.
- ii. Revenue from Data Managed Services (DMS) is recognised over the period of

the arrangement based on contracted fee schedule or based on usage. In respect of sale of equipment (ancillary to DMS) revenue is recognised when the control over the goods has been passed to the customer and/ or the performance obligation has been fulfilled.

- iii. Contracts are unbundled into separately identifiable components and the consideration is allocated to those identifiable components on the basis of their relative fair values. Revenue is recognised for respective components either at the point in time or over time on satisfaction of the performance obligation.
- iv. Bandwidth capacity sale under IRU arrangements is treated as revenue from operations. These arrangements do not have any significant financing component and are recognised on a straight line basis over the term of the relevant IRU arrangement.
- v. Exchange/ swaps with service providers are accounted as monetary/ non-monetary transactions depending on the nature of the arrangement with such service provider.
- vi. Revenue/ Cost recovery in respect of annual maintenance service charges is recognised over the period for which services are provided.
- vii. Income from real estate business and dark fibre contracts are considered as revenue from operations.

Accounting treatment of assets and liabilities arising in course of sale of goods and services is set out below:

### I. Trade receivable

Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

## Notes forming part of the financial statements

For the year ended 31 March 2021

### II. Contract assets

Contract asset is recorded when revenue is recognized in advance of the Company's right to bill and receive the consideration (i.e. the Company must perform additional services or complete a milestone of performance obligation in order to bill and receive the consideration as per the contract terms).

### III. Contract liabilities

Contract liabilities represent consideration received from customers in advance for providing the goods and services promised in the contract. The Company defers recognition of the consideration until the related performance obligation is satisfied. Contract liabilities include recurring services billed in advance and the non-recurring charges recognized over the contract/ service period. Contract liabilities have been disclosed as deferred revenue in the financial statements.

The incremental cost of acquisition or fulfilment of a contract with customer is recognised as an asset and amortised over the period of the respective arrangement. This includes non recurring charges for connectivity services and incentives for customer contracts as disclosed under network and transmission and employee benefits respectively.

### m. Other income

- i. Dividend from investments is recognised when the right to receive payment is established and no significant uncertainty as to collectability exists.
- ii. Interest income - For all financial instruments measured at amortised cost, interest income is recorded on accrual basis.

### n. Taxation

#### Current income tax

Current tax expense is determined in accordance with the provisions of the Income Tax Act, 1961

(as amended).

Provisions for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting these balances on an assessment year basis.

Current tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

#### Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled and are based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax

## Notes forming part of the financial statements

For the year ended 31 March 2021

liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### o. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of a financial asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable

for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### p. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are converted into INR at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities outstanding as at the balance sheet date are translated to INR at the closing rates prevailing on the balance sheet date. Exchange differences on foreign currency transactions are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not restated on the balance sheet date.

### q. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an

## Notes forming part of the financial statements

For the year ended 31 March 2021

asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### r. Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events if any of a bonus issue to existing shareholders or a share split.

### s. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions and contingent liabilities are reviewed at each balance sheet date.

### t. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of an instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### A. Financial assets

##### i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii. Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### iii. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

### iv. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and maximum amount of consideration that the Company could be required to repay.

### v. Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive Income

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at reporting date.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. The historically observed default rates and forward-looking changes in estimates are analyzed and updated annually.

For assessing ECL on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

### B. Financial liabilities

#### i. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis and using the EIR method.

#### ii. Guarantee fee obligations

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

#### iii. De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the

## Notes forming part of the financial statements

For the year ended 31 March 2021

terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

### D. Derivative financial instruments - Initial and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### E. Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

### u. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On 24 March 2021, the Ministry of

Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency, if any.

The amendments are extensive and the Company will evaluate the applicability of the same to give effect to them as required by law.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 3. Property, plant and equipment

(₹ in crores)

Particulars	Freehold land	Leasehold land improvements	Leasehold improvements	Building	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Motor vehicles	Total
<b>Cost</b>										
<b>Balance as at 1 April 2019</b>	11.19	1.42	6.88	310.14	10,584.38	168.07	91.57	462.14	1.62	11,637.41
Additions	-	-	(0.06)	5.99	760.81	0.95	3.90	30.43	0.20	802.22
Disposals/ adjustments	(0.64)	-	-	(2.23)	(79.81)	(2.99)	(0.92)	(11.94)	(0.04)	(98.57)
Transfers	(0.97)	0.48	15.40	(72.43)	(0.03)	(1.49)	(0.02)	-	-	(59.06)
<b>Balance as at 31 March 2020</b>	9.58	1.90	22.22	241.47	11,265.35	164.54	94.53	480.63	1.78	12,282.00
Additions	-	-	1.10	0.97	636.23	1.32	2.60	65.88	-	708.10
Disposals/ adjustments	-	-	(0.22)	(0.56)	(58.49)	(57.78)	(3.67)	(8.59)	(0.15)	(129.46)
Transfers	-	-	-	5.09	(0.45)	-	(1.54)	1.54	-	4.64
<b>Balance as at 31 March 2021</b>	9.58	1.90	23.10	246.97	11,842.64	108.08	91.92	539.46	1.63	12,865.28
<b>Accumulated depreciation</b>										
<b>Balance as at 1 April 2019</b>	-	0.02	2.44	88.86	7,150.22	112.92	68.98	379.08	0.64	7,803.16
Depreciation	-	-	2.49	8.46	730.58	9.55	7.31	28.82	0.16	787.37
Disposals/ adjustments	-	-	-	(1.01)	(78.51)	(2.99)	(0.92)	(11.92)	(0.04)	(95.39)
Transfers	-	-	6.86	(22.97)	(0.03)	(0.99)	(0.02)	-	-	(17.15)
<b>Balance as at 31 March 2020</b>	-	0.02	11.79	73.34	7,802.26	118.49	75.35	395.98	0.76	8,477.99
Depreciation	-	-	1.72	6.92	728.46	7.94	6.15	35.40	0.16	786.75
Disposals/ adjustments	-	-	(0.22)	(0.56)	(55.97)	(57.05)	(3.49)	(8.59)	(0.15)	(126.03)
Transfers	-	-	-	1.16	(0.44)	-	(1.54)	1.54	-	0.72
<b>Balance as at 31 March 2021</b>	-	0.02	13.29	80.86	8,474.31	69.38	76.47	424.33	0.77	9,139.43
<b>Carrying amount</b>										
<b>Balance as at 31 March 2020</b>	9.58	1.88	10.43	168.13	3,463.09	46.05	19.18	84.65	1.02	3,804.01
<b>Balance as at 31 March 2021</b>	9.58	1.88	9.81	166.11	3,368.33	38.70	15.45	115.13	0.86	3,725.85

- a. Gross block of buildings includes
- ₹ 34.16 crores (31 March 2020: ₹ 34.16 crores) for properties at Oshiwara and Sanchar Niwas, Mumbai in respect of which title deeds are under dispute and pending resolution in Hon'ble High Court of Mumbai at the year end.
  - ₹ 1.82 crores (31 March 2020: ₹ 1.83 crores) for properties at GIDC Gandhinagar, Gujarat, Land at Chattarpur (Delhi) and Greater Kailash (Delhi) in respect of which title deeds is not yet registered in the name of company at the year end.
- b. During the year, transfers include assets transferred out to investment property and Right of use asset.
- c. Refer note 44 (b) for assets given on operating leases.
- d. Refer note 17 (i) for assets hypothecated and/or mortgaged.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 4. Right of use Asset

(₹ in crores)

Particulars	Land	Building	Total
<b>Balance as at 1 April 2019</b>	165.94	61.37	227.31
Additions	0.01	392.27	392.28
Terminated	(0.01)	(0.18)	(0.19)
Depreciation	(2.57)	(43.16)	(45.73)
<b>Balance as at 31 March 2020</b>	163.37	410.30	573.67
Additions	-	15.69	15.69
Terminated	-	(0.28)	(0.28)
Sub lease to subsidiaries	-	(38.82)	(38.82)
Transfers (net)	-	0.01	0.01
Depreciation	(2.57)	(59.73)	(62.30)
Depreciation on sub lease assets	-	6.15	6.15
<b>Balance as at 31 March 2021</b>	160.80	333.32	494.12

- a. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

### 5. Investment property

(₹ in crores)

Particulars	Land	Building	Total
<b>Cost</b>			
<b>Balance as at 1 April 2019</b>	2.76	312.67	315.43
Additions	-	62.28	62.28
Disposals/ adjustments	-	(62.28)	(62.28)
Transfers	0.48	58.55	59.03
<b>Balance as at 31 March 2020</b>	3.24	371.22	374.46
Additions	-	-	-
Disposals/ adjustments	-	-	-
Transfers	-	(5.09)	(5.09)
<b>Balance as at 31 March 2021</b>	3.24	366.13	369.37
<b>Accumulated depreciation</b>			
<b>Balance as at 1 April 2019</b>	-	53.43	53.43
Depreciation	-	5.49	5.49
Transfers	-	17.12	17.12
<b>Balance as at 31 March 2020</b>	-	76.04	76.04
Depreciation	-	6.50	6.50
Transfers	-	(1.16)	(1.16)
<b>Balance as at 31 March 2021</b>	-	81.38	81.38
<b>Carrying amount</b>			
<b>Balance as at 31 March 2020</b>	3.24	295.18	298.42
<b>Balance as at 31 March 2021</b>	3.24	284.75	287.99

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 5. Investment property (Contd..)

#### a. Information regarding income and expenditure of investment property

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Rental income derived from investment properties (A)</b>	<b>158.22</b>	<b>154.15</b>
Direct operating expenses (including repairs and maintenance) generating rental income		
Rates and taxes	10.19	10.04
Repairs and maintenance	14.89	18.18
Other operating expenses	3.28	3.82
<b>Total (B)</b>	<b>28.36</b>	<b>32.04</b>
Direct operating expenses (including repairs and maintenance) that did not generate rental income		
Rates and taxes	0.94	1.88
Repairs and maintenance	1.87	2.77
Other operating expenses	1.64	0.83
<b>Total (C)</b>	<b>4.45</b>	<b>5.48</b>
<b>Total (D) (B+C)</b>	<b>32.81</b>	<b>37.52</b>
<b>Profit arising from investment properties before depreciation and indirect expenses (E) (A-D)</b>	<b>125.41</b>	<b>116.63</b>
Less: Depreciation (F)	6.50	5.49
<b>Profit arising from investment properties before indirect expenses (G) (E-F)</b>	<b>118.91</b>	<b>111.14</b>

#### b. Fair value of investment property

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Investment property	2,243.23	2,201.23

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The best evidence of fair value is current price in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 6. Intangible assets

(₹ in crores)

Particulars	Software and application	Indefeasible right to use assets	Total
<b>Cost</b>			
<b>Balance as at 1 April 2019</b>	<b>928.87</b>	<b>501.87</b>	<b>1,430.74</b>
Additions	86.22	77.03	163.25
Disposals/ adjustments	(0.67)	-	(0.67)
Transfers	-	0.03	0.03
<b>Balance as at 31 March 2020</b>	<b>1,014.42</b>	<b>578.93</b>	<b>1,593.35</b>
Additions	45.36	36.26	81.62
Disposals/ adjustments	(8.69)	-	(8.69)
Transfers	-	-	-
<b>Balance as at 31 March 2021</b>	<b>1,051.09</b>	<b>615.19</b>	<b>1,666.28</b>
<b>Accumulated amortization</b>			
<b>Balance as at 1 April 2019</b>	<b>624.55</b>	<b>352.01</b>	<b>976.56</b>
Amortisation	110.61	28.24	138.85
Disposals/ adjustments	(0.67)	-	(0.67)
Transfers	-	0.03	0.03
<b>Balance as at 31 March 2020</b>	<b>734.49</b>	<b>380.28</b>	<b>1,114.77</b>
Amortisation	96.66	26.83	123.49
Disposals/ adjustments	(8.51)	-	(8.51)
Transfers	-	-	-
<b>Balance as at 31 March 2021</b>	<b>822.64</b>	<b>407.11</b>	<b>1,229.75</b>
<b>Carrying amount</b>			
<b>Balance as at 31 March 2020</b>	<b>279.93</b>	<b>198.65</b>	<b>478.58</b>
<b>Balance as at 31 March 2021</b>	<b>228.45</b>	<b>208.08</b>	<b>436.53</b>

### 7. Investments

(₹ in crores)

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	₹ in crores	No of shares	₹ in crores
<b>A. Non-current investments</b>				
<b>a. Investment at cost</b>				
<b>i. In subsidiaries (fully paid equity shares - unquoted)</b>				
Tata Communications International Pte. Ltd.* (refer I below)	191,102,862	2,521.15	191,102,862	2,521.15
Tata Communications Payment Solutions Limited (refer II & III below) (net of impairment)	1,057,091,784	923.03	987,091,784	853.03
Tata Communications Lanka Limited	13,661,422	7.41	13,661,422	7.41
Tata Communications Transformation Services Limited	500,000	0.50	500,000	0.50
Tata Communications Collaboration Services Private Limited	20,000	0.02	20,000	0.02
<b>Subtotal (a) (i)</b>		<b>3,452.11</b>		<b>3,382.11</b>

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 7. Investments (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	₹ in crores	No of shares	₹ in crores
<b>ii. In associates (fully paid, unquoted)</b>				
STT Global Data Centres India Private Limited (equity shares) (refer IV below)	3,016	118.67	2,899	84.36
United Telecom Limited (equity shares) (net of impairment)	5,731,900	-	5,731,900	-
Smart ICT Services Private Limited				
Preference shares (refer V below)	335,146	0.33	335,146	0.33
Equity shares	12,000	0.01	12,000	0.01
<b>Subtotal (a) (ii)</b>		<b>119.01</b>		<b>84.70</b>
<b>Subtotal (a) (i)+(ii)</b>		<b>3,571.12</b>		<b>3,466.81</b>
<b>b. Investments at FVTOCI</b>				
<b>Investment in others (fully paid equity shares - unquoted)</b>				
Tata Teleservices Ltd.*	598,213,926	-	598,213,926	-
Other investments	297,134	6.16	297,134	6.16
<b>Subtotal (b)</b>		<b>6.16</b>		<b>6.16</b>
<b>Total (a)+(b)</b>		<b>3,577.28</b>		<b>3,472.97</b>
Aggregate carrying value of unquoted investments (net of impairment)		3,577.28		3,472.97
<b>Total non-current investments</b>		<b>3,577.28</b>		<b>3,472.97</b>
<b>B. Current investments</b>				
<b>Investments at FVTPL (Mutual funds)</b>		<b>1,158.77</b>		<b>564.77</b>
<b>Investments in others (Preference Shares) (refer VI below)</b>				
Bharti Airtel Limited - Preference shares	-	-	51	@
Bharti Hexacom Limited - Preference shares	-	-	51	@

\*Equity investments in these companies are subject to certain restrictions on transfer as per the terms of individual contractual agreements.

@represents transaction of amount less than ₹ 50,000

- I. The Company has an investment of ₹ 2,521.15 crores (31 March 2020: ₹ 2,521.15 crores) in equity shares of Tata Communications International Pte Limited.

In the opinion of the management, having regard to the nature of the subsidiary business and future business projections, there is no diminution, other than temporary in the value of investment despite significant accumulated losses (refer note 2(c)(ii)).

- II. The Company has investment in its wholly owned subsidiary Tata Communications Payment Solutions Limited ('TCPSTL'). Management performed impairment assessment as at 31 March 2021. The recoverable value was determined by Value in use ('VIU') of TCPSTL business. As at 31 March 2021 the carrying value of Company's investment in its wholly owned subsidiary Tata Communications Payment Solutions Limited ('TCPSTL') is ₹ 923.03 crores having accumulated losses of ₹ 1,476.94 crores (includes a loss of ₹ 139.44 crores for the year). The future profitability of TCPSTL is dependent upon revised business model and increase in the Inter Bank Rate (IBR) by RBI. RBI had formed a committee in July 2019 to review the interchange fees structure for White Label ATMs ('WLA') operators.

## Notes forming part of the financial statements

For the year ended 31 March 2021

The committee had submitted its report and its recommendation for increase in interchange fees to RBI which is under consideration as at 31 March 2021. Based on above factors and internal assessment of future business plan, management is of the view that the carrying value of the investment in TCPSTL as at 31 March 2021 is appropriate.

The approach and key assumptions used to determine the VIU were as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Growth rate applied beyond forecast period	1%	1%
Pre-tax discount rate	12.84%	10.74%

- III. During the current year, the Company has made additional investment of ₹ 70.00 crores in equity shares of TCPSTL.
- IV. During the current year, the Company has made additional investment of ₹ 34.31 crores (during previous year ₹ 49.35 crores) in equity shares of STT Global Data Centers India Private Limited.
- V. During the previous year, the Company has acquired an additional 31,960 Cumulative Non- Convertible Redeemable Preference Shares of Smart ICT Services Private Limited.
- VI. During the previous year, the Company received 51 Redeemable Preference Shares (having face value of ₹ 100 per share) each of Bharti Airtel Limited and Bharti Hexacom Limited pursuant to the Composite Scheme of Arrangement amongst Bharti Airtel Limited; Tata Teleservices Limited and Bharti Hexacom Limited and their respective shareholders and creditors as sanctioned by the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi. During the current year, these redeemable preference shares were redeemed at par.

### 8. Other financial assets

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non - current</b>		
a. Security deposits		
i. Unsecured, considered good	82.35	64.43
ii. Unsecured, considered doubtful	4.93	8.78
Less: allowance for doubtful security deposits	(4.93)	(8.78)
	<b>82.35</b>	<b>64.43</b>
b. Guarantee fees receivable from subsidiaries - Unsecured, considered good (refer i below)	58.91	18.68
c. Pension contribution recoverable from Government of India (net) - Unsecured, considered good (refer ii below)	7.44	7.44
d. Other advances / receivables		
i. Unsecured, considered good	0.36	0.35
ii. Unsecured, considered doubtful	-	0.01
Less: allowance for doubtful advances/ receivables	-	(0.01)
	<b>0.36</b>	<b>0.35</b>
<b>Sub-total (A)</b>	<b>149.06</b>	<b>90.90</b>

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 8. Other financial assets (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>B. Current</b>		
a. Security deposits		
Unsecured, considered good	17.98	35.13
Unsecured, considered doubtful	6.18	1.14
Less: allowance for doubtful security deposits	(6.18)	(1.14)
	<b>17.98</b>	<b>35.13</b>
b. Guarantee fees receivable from subsidiaries - Unsecured, considered good (refer i below)	25.71	26.70
c. Other advances/ receivables		
Unsecured, considered good	22.53	2.67
Unsecured, considered doubtful	1.97	1.79
Less: allowance for doubtful advances/ receivables	(1.97)	(1.79)
	<b>22.53</b>	<b>2.67</b>
d. Amount due from related parties - Unsecured, considered good	58.94	48.53
e. Advance to employees - Unsecured, considered good	0.01	0.03
f. Interest receivable - Unsecured, considered good	1.08	0.12
g. Fair value of foreign exchange forward contracts	-	22.43
<b>Sub-total (B)</b>	<b>126.25</b>	<b>135.61</b>
<b>Total (A) + (B)</b>	<b>275.31</b>	<b>226.51</b>

- i. The Company has issued corporate guarantees for the loans and credit facility arrangements in respect of various subsidiaries.
- ii. As at 31 March 2021, the proportionate share of pension obligations and payments of ₹ 61.15 crores (31 March 2020: ₹ 61.15 crores) to the erstwhile OCS employees was recoverable from the Government of India (the "Government"). Pursuant to discussion with the Government, the Company had made a provision of ₹ 53.71 crores (31 March 2020: ₹ 53.71 crores) resulting in a net amount due from the Government towards its share of pension obligations of ₹ 7.44 crores (31 March 2020: ₹ 7.44 crores).

### 9. Deferred tax assets (net)

Major components of deferred tax asset and liability consist of the following

(₹ in crores)

Particulars	As at 1 April 2020	Recognised in Statement of Profit and Loss	Recognised in Reserves and Surplus	Recognised in Other Comprehensive Income	As at 31 March 2021
<b>Deferred tax assets arising out of timing differences on:</b>					
Provision for doubtful trade receivables	85.00	9.27	-	-	94.27
Provision for employee benefits	22.00	0.67	-	(2.07)	20.60
Expenditure incurred on NLD licence fees	1.32	(1.32)	-	-	-

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 9. Deferred tax assets (net) (Contd..)

(₹ in crores)

Particulars	As at 1 April 2020	Recognised in Statement of Profit and Loss	Recognised in Reserves and Surplus	Recognised in Other Comprehensive Income	As at 31 March 2021
Expenditure disallowed u/s. 40 (a) (ia) of the Income Tax Act, 1961	65.27	(37.57)	-	-	27.70
Interest received on provisional income-tax assessment	11.08	(0.50)	-	-	10.58
Accrued expenditure	99.02	14.62	-	-	113.64
Difference between accounting and tax depreciation / amortization	18.65	21.09	-	-	39.74
Others	15.69	14.02	-	-	29.71
<b>Deferred tax assets</b>	<b>318.03</b>	<b>20.28</b>	<b>-</b>	<b>(2.07)</b>	<b>336.24</b>

(₹ in crores)

Particulars	As at 1 April 2019	Recognised in Statement of Profit and Loss	Recognised in Reserves and Surplus	Recognised in Other Comprehensive Income	As at 31 March 2020
<b>Deferred tax assets arising out of timing differences on:</b>					
Provision for doubtful trade receivables	106.57	(21.57)	-	-	85.00
Provision for employee benefits	26.95	(7.46)	-	2.51	22.00
Expenditure incurred on NLD licence fees	3.68	(2.36)	-	-	1.32
Expenditure disallowed u/s. 40 (a) (ia) of the Income Tax Act, 1961	76.88	(11.61)	-	-	65.27
Unearned income and deferred revenues	0.70	(0.70)	-	-	-
Interest received on provisional income-tax assessment	6.81	4.27	-	-	11.08
Accrued expenditure	14.98	84.04	-	-	99.02
Difference between accounting and tax depreciation / amortization	(11.15)	29.80	-	-	18.65
Others	10.21	(0.70)	6.18	-	15.69
<b>Deferred tax assets</b>	<b>235.63</b>	<b>73.71</b>	<b>6.18</b>	<b>2.51</b>	<b>318.03</b>



## Notes forming part of the financial statements

For the year ended 31 March 2021

### 10. Other assets

Particulars	(₹ in crores)	
	As at 31 March 2021	As at 31 March 2020
<b>A. Non-current</b>		
a. Capital advances		
i. Unsecured, considered good	14.37	22.84
ii. Unsecured, considered doubtful	6.05	6.05
Less: allowance for doubtful advances	(6.05)	(6.05)
	<b>14.37</b>	<b>22.84</b>
b. Prepaid expenses – Unsecured, considered good		
From related parties	0.08	-
Others	39.08	30.56
	<b>39.16</b>	<b>30.56</b>
c. Amount paid under protest		
i. Unsecured, considered good	5.02	0.82
ii. Unsecured, considered doubtful (refer note 19 (b))	413.75	34.23
Less: allowance for doubtful advances (refer note 19 (b))	(413.75)	(34.23)
	<b>5.02</b>	<b>0.82</b>
d. NLD license fees recoverable from Government of India		
i. Unsecured, considered good	-	-
ii. Unsecured, considered doubtful	0.64	0.64
Less: allowance for doubtful balance	(0.64)	(0.64)
	<b>-</b>	<b>-</b>
e. Pension asset recoverable – Unsecured, considered good	39.41	48.73
f. Net investment in right of use assets	40.11	-
g. Other advances / receivables		
i. Unsecured, considered good	0.42	0.70
ii. Unsecured, considered doubtful	-	0.01
Less: allowance for doubtful advances/ receivables	-	(0.01)
	<b>0.42</b>	<b>0.70</b>
<b>Sub-total (A)</b>	<b>138.49</b>	<b>103.65</b>
<b>B. Current</b>		
a. Advance to employees		
i. Unsecured, considered good	0.25	1.25
ii. Unsecured, considered doubtful	-	0.36
Less: allowance for doubtful advances	-	(0.36)
	<b>0.25</b>	<b>1.25</b>
b. Prepaid expenses - Unsecured, considered good		
From related parties	13.92	9.46
Others	98.00	84.55
	<b>111.92</b>	<b>94.01</b>
c. Indirect taxes recoverable (net)	154.73	150.50
d. Advance to contractors and vendors		
Related parties – Unsecured, considered good	@	0.32
Others – Unsecured, considered good	0.72	4.00
	<b>0.72</b>	<b>4.32</b>

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 10. Other assets (Contd..)

Particulars	(₹ in crores)	
	As at 31 March 2021	As at 31 March 2020
e. Net investment in right of use assets	3.21	-
f. Other advances/ receivables		
Related parties – Unsecured, considered good	1.15	79.30
Others – Unsecured, considered good	24.28	9.65
Unsecured, considered doubtful	0.68	0.89
Less: allowance for doubtful advances/ receivables	(0.68)	(0.89)
	<b>25.43</b>	<b>88.95</b>
<b>Sub-total (B)</b>	<b>296.26</b>	<b>339.03</b>
<b>Total (A) + (B)</b>	<b>434.75</b>	<b>442.68</b>

@ represents amount less than ₹ 50,000

### 11. Trade receivables

Particulars	(₹ in crores)	
	As at 31 March 2021	As at 31 March 2020
<b>Unsecured (including unbilled receivables) (refer note i below)</b>		
Considered good*	1,089.84	1,299.69
Considered doubtful	350.99	315.28
	<b>1,440.83</b>	<b>1,614.97</b>
Less: Allowance for doubtful receivables (refer note 41 (e))	(350.99)	(315.28)
	<b>1,089.84</b>	<b>1,299.69</b>

\*Includes Trade Receivables from Related Parties (refer note 43)

i. During the earlier years, based on the Supreme Court order dated 8 October 2018, Telecom Regulatory Authority of India ('TRAI') issued amendment Regulations dated 28 November 2018 specifying charges for Cable Landing Station ('CLS') access. The new amendment Regulation on CLS dated 28 November 2018 would be effective from date of its publication in official Gazette i.e. 28 November 2018. The Company had challenged the jurisdiction of TRAI on issue of regulation on CLS in the Hon'ble Supreme Court. CLS Access seekers RJIO, BSNL and Association of Competitive Telecom Operators ('ACTO') had filed a petition in TDSAT for declaring retrospective applicability of the newly notified amendment regulations dated 28 November 2018 on CLS, which has been dismissed by TDSAT vide its judgment dated 16 April 2020. The order of TDSAT has been challenged by RJIO and ACTO before Supreme Court by way of separate Statutory appeal and is pending. The receivable balances for these services of ₹164 crores, being sub judice are considered good and recoverable.

### 12. Cash and cash equivalents

Particulars	(₹ in crores)	
	As at 31 March 2021	As at 31 March 2020
a. Cash on hand	0.06	0.06
b. Current accounts with scheduled banks	97.44	30.89
c. Deposit accounts with scheduled banks with original maturity of less than three months	100.00	132.00
	<b>197.50</b>	<b>162.95</b>

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 13. Other bank balances

(₹ in crores)

Particulars	As at	
	31 March 2021	31 March 2020
a. Unpaid dividend accounts	0.73	0.74
b. Restricted bank balance (refer i below)	1.01	0.03
c. Deposits with original maturity over 3 months and less than 12 months	50.00	-
	<b>51.74</b>	<b>0.77</b>

- i. Includes ₹ 1.00 crores (31 March 2020: ₹ Nil) held towards lien for cash credit and overdraft limit and ₹ 0.01 crores (31 March 2020: ₹ 0.03 crores) held towards other legal matters.

### 14. Assets classified as held for sale

- i. The Management intends to dispose off few staff quarters and few buildings of the Company having net block of ₹ 125.62 crores (31 March 2020: ₹ 114.68 crores) and advances to vendors of ₹ 1.39 crores (31 March 2020: ₹ 2.42 crores) against the same. The Company was only able to partially dispose off its assets classified as held for sale as on 31 March 2020 on account of certain circumstances beyond its control that lead to extension of the period required to complete the sale. The addition during the year is on account of assets transferred in from capital work in progress. Accordingly, these assets have been classified as assets held for sale as on 31 March 2021.
- ii. Further the fair value of these assets is higher than their carrying value as on 31 March 2021 and hence, no impairment loss has been recognised.

### 15. Equity share capital

(₹ in crores)

Particulars	As at	
	31 March 2021	31 March 2020
<b>a. Authorised</b>		
400,000,000 (31 March 2020: 400,000,000) Equity shares of ₹ 10 each	<b>400.00</b>	400.00
<b>b. Issued, subscribed and paid up</b>		
285,000,000 (31 March 2020: 285,000,000) Equity shares of ₹ 10 each, fully paid up	<b>285.00</b>	285.00

#### a. Issued, subscribed and paid up

There is no change in the issued, subscribed and paid up share capital of the Company during the current and past five financial years.

#### b. Terms / rights attached to equity shares

The Company has only one class of equity shares with a face value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share at any general meeting of shareholders. The Company declares and pays dividends in INR. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

- c. The Board of Directors have recommended a dividend of ₹ 14.00 (2019 - 2020: ₹ 4.00) per share.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### d. Number of shares held by each shareholder holding more than 5% of the issued share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	Percentage	No of shares	Percentage
Panatone Finvest Limited	<b>127,672,854</b>	<b>44.80%</b>	99,172,854	34.80%
Government of India	-	-	74,446,885	26.12%
Tata Sons Private Limited	<b>40,087,639</b>	<b>14.07%</b>	40,087,639	14.07%
East Bridge Capital Master Fund I Ltd	<b>19,134,676</b>	<b>6.71%</b>	16,827,746	5.90%

### 16. Other equity

(₹ in crores)

Particulars	As at	
	31 March 2021	31 March 2020
a. Capital reserve (refer i below)	206.06	206.06
b. Debenture redemption reserve (refer ii below)	-	-
c. Securities premium	725.01	725.01
d. General reserve	5,380.75	5,380.75
e. Retained earnings	3,479.01	2,630.35
f. Other comprehensive income (refer iii below)	(1,009.30)	(1,006.57)
<b>Total</b>	<b>8,781.53</b>	<b>7,935.60</b>

- i. **Capital reserve** includes ₹ 205.22 crores in respect of foreign exchange gains on unutilised proceeds from Global Depository Receipts in earlier years.
- ii. **Debenture redemption reserve (DRR):** The Company had issued redeemable non-convertible debentures, accordingly, the Companies (Share capital and Debenture) Rules, 2014 (as amended), require that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the DRR may not be utilised by the Company except to redeem debentures. Refer note 17 (i).
- iii. **Other comprehensive income:** This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off and remeasurement of defined employee benefit plans (net of taxes).

### 17. Borrowings

(₹ in crores)

Particulars	As at	
	31 March 2021	31 March 2020
<b>A. Non-current</b>		
<b>a. Secured debentures</b>		
<b>Rated, listed non-convertible redeemable debentures</b> (refer i below)		
5,250, 7.48% rated debentures of face value ₹ 10 lakhs each	524.07	-

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 17. Borrowings (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>b. Term loan - Unsecured</b>		
From financial institution (refer iii below)	10.69	13.43
	<b>534.76</b>	<b>13.43</b>
Less: Current maturities of long term borrowings (refer note 18)	(2.62)	(2.79)
<b>Sub-total (A)</b>	<b>532.14</b>	<b>10.64</b>
<b>B. Current</b>		
<b>Unsecured loan from bank</b>		
a. Buyers' credit (rate of interest per annum - 31 March 2021: 0.85% to 3.14%) (31 March 2020: 1.02% to 2.74%)	46.00	427.62
b. Term loans (rate of interest per annum - 31 March 2020: 6.45% to 8.70%)	-	85.00
c. Loan repayable on demand (Bank overdraft)	-	20.21
<b>Sub-total (B)</b>	<b>46.00</b>	<b>532.83</b>
<b>Total (A) + (B)</b>	<b>578.14</b>	<b>543.47</b>

#### i. Secured debentures

During the current year, the Company issued 5,250, 7.48% debentures of face value ₹ 10 lakhs each amounting to ₹ 524.07 crores (net of arrangement fees). These debentures are due for redemption on 19 April 2023 and are secured by first ranking floating pari-passu charge by way of hypothecation and/or mortgage on the moveable property, plant and equipment of the Company (excluding immovable property, computers, motor vehicles, furniture and fixtures and office equipment).

#### ii. Unsecured debentures

As at 31 March 2019, the outstanding 1,500, 9.85% debentures amounting to ₹ 150 crores were due for redemption on 2 July 2019. For facilitating the above redemption, the Company had created a DRR of ₹ 37.50 crores.

During the previous year, 1,500, 9.85% debentures amounting to ₹ 150.00 crores were redeemed on 2 July 2019 and consequently DRR of ₹ 37.50 crores created to facilitate redemption of above debentures was transferred to general reserve.

#### iii. Unsecured loan from financial institution

During the previous year, the Company availed ₹ 15.94 crores loan from a financial institution. The present value of the said loan is calculated using an interest rate of 5.95% and the loan is repayable in 20 equal quarterly instalments with final maturity in December 2024. During the current year, ₹ 3.19 crores (31 March 2020: ₹ 0.80 crores) was paid on due date. There are no covenants on the said loan. The repayment schedule of the loan is as under:

Year of Repayment	Amount of Repayment (₹ in crores)
FY 21-22	3.19
FY 22-23	3.19
FY 23-24	3.19
FY 24-25	2.38

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 18. Other financial liabilities

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non-current</b>		
a. Obligation for financial guarantee (refer i below)	58.91	18.68
<b>Sub-total (A)</b>	<b>58.91</b>	<b>18.68</b>
<b>B. Current</b>		
a. Current maturities of long term borrowings (refer note 17)	2.62	2.79
b. Interest accrued but not due on loans from banks	37.44	3.11
c. Deposits from customers and contractors		
- Deposits from related parties	23.32	23.32
- Others	35.38	34.94
d. Government of India account	20.57	20.57
e. Unclaimed dividend (refer ii below)	0.73	0.74
f. Capital creditors		
- Payables to related parties	18.77	20.55
- Others	336.39	279.63
g. Fair value of foreign exchange forward contract	0.35	-
h. Obligation for financial guarantee (refer i below)	25.71	26.70
i. Other liabilities (refer note 45 (a)(2)(ii))	64.90	411.11
<b>Sub-total (B)</b>	<b>566.18</b>	<b>823.46</b>
<b>Total (A) + (B)</b>	<b>625.09</b>	<b>842.14</b>

i. The Company has issued corporate guarantees for the loans and credit facility arrangements in respect of various subsidiaries.

ii. There are no dividends due and outstanding for a period exceeding seven years.

### 19. Provisions

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non-current</b>		
a. Provision for employee benefits (refer note 35)		
- Compensated absences	37.17	50.04
- Post-employment medical benefits	152.71	137.37
- Pension	22.93	31.15
- Gratuity	-	17.27
b. Provision for decommissioning cost	27.22	7.30
<b>Sub-total (A)</b>	<b>240.03</b>	<b>243.13</b>
<b>B. Current</b>		
a. Provision for employee benefits (refer note 35)		
- Compensated absences	21.70	6.02
b. Provision for others	67.62	71.93
<b>Sub-total (B)</b>	<b>89.32</b>	<b>77.95</b>
<b>Total (A) + (B)</b>	<b>329.35</b>	<b>321.08</b>

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 19. Provisions (Contd..)

#### Movement of provisions

(₹ in crores)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Provision for decommissioning cost (refer a below)	Provision for others (refer b below)	Provision for decommissioning cost (refer a below)	Provision for others (refer b below)
Opening balance	7.30	71.93	5.88	40.14
Addition	19.98	3.94	1.67	33.43
Utilisation/ adjustments	(0.06)	(8.25)	0.24	1.64
<b>Closing balance</b>	<b>27.22</b>	<b>67.62</b>	<b>7.30</b>	<b>71.93</b>
<b>Non-current provision</b>	<b>27.22</b>	<b>-</b>	<b>7.30</b>	<b>-</b>
<b>Current provision</b>	<b>-</b>	<b>67.62</b>	<b>-</b>	<b>71.93</b>

- a. The provision for decommissioning cost has been recorded in the books of the Company in respect of certain property, plant and equipment.
- b. Provision for others is mainly towards demand/ notice received from Employee State Insurance Corporation, Directorate of Revenue Intelligence and provision for other tax matters. Amount paid under protest ₹ 34.49 crores (31 March 2020: ₹ 34.23 crores) is disclosed in note 10.

### 20. Other liabilities

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non-current</b>		
a. Deferred revenue (refer i below)		
- Related parties	27.61	36.10
- Others	341.32	380.09
b. Accrued employee cost		
- Related parties	4.95	1.58
- Others	9.19	7.84
<b>Sub-total (A)</b>	<b>383.07</b>	<b>425.61</b>
<b>B. Current</b>		
a. Deferred revenues and advances received from customers (refer i below)		
- Related parties	35.98	71.85
- Others	359.58	298.46
b. Accrued employee cost		
- Related parties	15.15	10.95
- Others	168.55	139.84
c. Statutory liabilities		
TDS payable	54.53	48.35

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 20. Other liabilities (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
d. Other liabilities		
- Related parties	160.93	144.35
- Others	6.73	107.05
<b>Sub-total (B)</b>	<b>801.45</b>	<b>820.85</b>
<b>Total (A) + (B)</b>	<b>1,184.52</b>	<b>1,246.46</b>

- i. Deferred revenue represents contract liabilities.

### 21. Trade payables

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
A. Total outstanding dues of micro enterprises and small enterprises (refer note 47)	13.04	7.58
<b>Sub-total (A)</b>	<b>13.04</b>	<b>7.58</b>
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable to related parties	578.30	667.81
- Other creditors	940.65	916.06
<b>Sub-total (B)</b>	<b>1,518.95</b>	<b>1,583.87</b>
<b>Total (A) + (B)</b>	<b>1,531.99</b>	<b>1,591.45</b>

### 22. Other income

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Interest income on financial assets carried at amortised cost		
i. Bank deposits	4.82	0.59
ii. Others (refer i below)	11.16	3.07
b. Dividend income	101.09	68.69
c. Gain on investments at FVTPL (net)	39.22	20.36
d. Gain/ (loss) on disposal of property, plant and equipment (net)	(0.48)	1.98
e. Foreign exchange gain/ (loss) (net)	(16.21)	(34.96)
f. Liabilities no longer required - written back	27.15	15.42
g. Interest on income tax refund	6.02	-
h. Guarantee income from subsidiaries	31.51	31.64
i. Shared service fees from subsidiaries/ associates	64.43	58.97
j. Others	5.85	14.51
	<b>274.56</b>	<b>180.27</b>

- i. Interest on others includes ₹ 7.65 crores (2019 - 2020: ₹ 1.38 crores) from subsidiaries.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 23. Network and transmission

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Charges for use of transmission facilities	1,656.88	1,562.31
b. Royalty and licence fee to Department of Telecommunications	213.84	234.98
c. Rent of landlines and satellite channels	50.02	45.06
	<b>1,920.74</b>	<b>1,842.35</b>

Charges for use of transmission facilities include cost of certain equipment ancillary to Data and Managed Services ('DMS') of ₹ 108.04 crores (2019 - 2020: ₹ 108.96 crores) which is as per contracts with customers.

### 24. Employee benefits

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Salaries and related costs	1,009.11	904.57
b. Contributions to provident and other funds (refer note 35)	52.10	46.29
c. Staff welfare expenses	43.40	47.97
	<b>1,104.61</b>	<b>998.83</b>

### 25. Operating and other expenses

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Consumption of stores	0.19	1.11
b. Light and power (net of reimbursements of ₹ 223.65 crores (2019 - 2020 : ₹ 209.32 crores))	100.57	113.88
c. Repairs and maintenance		
i. Buildings	24.00	31.86
ii. Plant and machinery	556.18	460.17
iii. Others	0.14	0.59
d. Advances written off	-	0.96
e. Bad debts written off	1.75	-
f. Allowance for doubtful trade receivables	35.71	29.53
g. Allowance for doubtful advances	1.15	1.03
h. Rent	66.81	76.29
i. Rates and taxes	37.45	24.47
j. Travelling	(0.47)	28.82
k. Telephone	5.87	7.56
l. Printing, postage and stationery	0.65	2.43
m. Legal and professional fees	10.59	84.22
n. Advertising and publicity	36.26	43.28
o. Commission	28.18	20.92
p. Services rendered by agencies	202.25	236.16

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 25. Operating and other expenses (Contd..)

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
q. Insurance	11.01	7.36
r. Corporate social responsibility expenditure (refer i below)	9.22	12.88
s. Other expenses (refer note 36)	88.92	153.57
	<b>1,216.43</b>	<b>1,337.09</b>

The expenses above are net off accrual no longer required written back in the respective expense line item

#### i. Disclosure in respect of Corporate Social Responsibility (CSR) expenditure:

As required by the Companies Act, 2013 and rules thereon, gross amount required to be spent by the Company during the year towards CSR amount to ₹ 9.17 crores (2019-2020: ₹ 12.63 crores). The Company has spent ₹ 9.22 crores (2019-2020: ₹ 12.88 crores) during the year on CSR activities mainly for promotion of education, social business projects, COVID-19 relief work, etc. including ₹ 0.20 crores (2019-2020: ₹ 1.00 crores) on construction/acquisition of assets.

### 26. Depreciation and amortisation

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment (refer note 3)	786.75	787.37
Depreciation on ROU assets (refer note 4)	56.15	45.73
Depreciation on investment property (refer note 5)	6.50	5.49
Amortisation of intangible assets (refer note 6)	123.49	138.85
	<b>972.89</b>	<b>977.44</b>

i. During the current year, the Company has provided depreciation of ₹ 57.41 crores (2019 - 2020: ₹ 20.38 crores) on certain assets that are not in use.

ii. During the previous year, the Company had aligned useful life of certain upgrades to the Property, plant and equipment with the useful life of the respective base assets and had recorded an additional depreciation charge of ₹ 21.83 crores.

### 27. Finance cost

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Interest on loans from banks	8.29	10.96
b. Interest on debentures	37.61	3.72
c. Interest on lease liabilities	38.63	24.27
d. Other interest (refer i below)	22.20	16.24
	<b>106.73</b>	<b>55.19</b>

i. Includes mainly interest cost on actuarial valuation (refer note 35).

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 28. Summary of exceptional items

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision for advances (Refer note 29)	-	(5.92)
Staff cost optimization (Refer note 30)	(2.93)	1.41
Provision for license fees and related interest (Refer note 31)	(37.88)	(341.64)
Gain on sale of fixed assets (net) (Refer note 32)	67.38	-
Insurance claim (Refer note 33)	24.25	-
	<b>50.82</b>	<b>(346.15)</b>

### 29. Provision for advances

On 5 March 2018, the Company filed with the National Company Law Tribunal, Mumbai Bench ('NCLT'), a scheme of arrangement and reconstruction among the Company and Hemisphere Properties India Limited ("HPIL") and their respective shareholders and creditors for demerger of surplus land ("Scheme"). By order of the NCLT, a meeting of the shareholders of the Company was held on 10 May 2018, at which the shareholders approved the Scheme. On 12 July 2018, the NCLT approved the Scheme. HPIL, being a 'government company', as defined under Section 2(45) of the Companies Act, 2013, had filed its petition seeking sanction to the Scheme, before the Central Government through the Ministry of Corporate Affairs, New Delhi ("MCA"). The MCA has approved the Scheme through its order dated 5 August 2019 and HPIL has filed the order with the Registrar of Companies, New Delhi. Consequent to the receipt of the approvals of the NCLT and the MCA, to the Scheme, the Board of Directors of the Company fixed 18 September 2019 as the "Record Date" for the Scheme, for determining the shareholders of the Company who shall be eligible to receive the equity shares of HPIL. The Board of Directors of HPIL, at its meeting held on 18 February 2020, approved the allotment of HPIL's shares to the shareholders of the Company on the Record Date in the ratio of 1 share of HPIL for every share of the Company. During the current year, the Company has been informed that the shares allotted by HPIL to the shareholders of the Company have been listed on BSE Limited and National Stock Exchange of India Limited with effect from 22 October 2020. Accordingly, during the previous year, the Company has recorded an expense of ₹ 5.92 crores relating to such demerger under exceptional items. Further, the carrying value of surplus land and fixed deposits amounting to ₹ 3.06 crores was derecognised and the same was adjusted in retained earnings.

### 30. Staff cost optimisation

As part of its initiative to enhance the long term efficiency of the business during the year, the Company undertook organisational changes to align to the Company's current and prospective business requirements. These changes involved certain positions in the Company becoming redundant and the Company incurred a one-time charge/ (reversal) of ₹ 2.93 crores (2019 - 2020: ₹ (1.41) crores).

### 31. Provision for license fees and related interest

During the previous year, the Company made a provision towards licence fees and related interest expense of ₹ 341.64 crores which includes ₹ 337.17 crores towards the period covered in the Department of Telecommunications ('DOT') demand. Further during the current year, the Company made a provision of ₹ 37.88 crores towards interest on the unpaid provisions (Refer note 45(a)(2)(ii)).

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 32. Gain on sale of fixed assets (net)

During the current year, the Company concluded the sale of a parcel of its land along with building on such land, for a total consideration of ₹ 67.41 crores (net of transaction cost) resulting in to a gain of ₹ 67.38 crores. These assets were disclosed under assets held for sale.

### 33. Insurance claim

During the current year, the Company has recognized an insurance claim of ₹ 24.25 crores based on assessment by the insurance company on minimum loss admissible against loss caused due to malfunctioning of the fire suppression system in earlier years.

### 34. Income tax

#### i. Income tax recognised in Statement of Profit and Loss

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current tax</b>		
In respect of current year	327.18	222.54
In respect of prior years	(40.26)	15.94
<b>Sub-total current tax (a)</b>	<b>286.92</b>	<b>238.48</b>
<b>Deferred tax</b>		
In respect of current year	(51.68)	(63.88)
In respect of prior years	31.40	(9.83)
<b>Sub-total deferred tax (b)</b>	<b>(20.28)</b>	<b>(73.71)</b>
<b>Total (a+b)</b>	<b>266.64</b>	<b>164.77</b>

#### ii. Income tax expense for the year can be reconciled to the accounting profit as follows

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Profit/ (Loss) before tax</b>	<b>1,229.30</b>	<b>373.55</b>
Income tax expense calculated at 25.168% tax rate (2019 - 2020: 25.168% tax rate) (A)	309.39	94.02
<b>Adjustments:</b>		
Impact on account of change in statutory tax rate (refer I below)	-	67.64
Effect of adjustments / expenses that are not deductible in determining taxable profit	2.43	5.53
Tax pertaining to prior years	(8.86)	6.11
Effect of net income subjected to lower tax rate	(26.57)	(14.07)
Others	(9.75)	5.54
<b>Sub-total (B)</b>	<b>(42.75)</b>	<b>70.75</b>
<b>Income tax expense recognised in Statement of Profit and Loss (A+B)</b>	<b>266.64</b>	<b>164.77</b>

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 34. Income tax (Contd..)

- i. During the previous year, the Company had exercised the option of lower tax rate of 25.17% (inclusive of Surcharge and Cess) permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Deferred Tax Assets (net) as at 31 March 2019 had been re-measured. Consequently, tax expense for the year ended 31 March 2020 included a charge of ₹ 67.64 crores.

#### iii. Income tax recognised in other comprehensive income

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current tax (a)</b>	<b>2.99</b>	<b>8.25</b>
<b>Deferred tax (b)</b>	<b>(2.07)</b>	<b>2.51</b>
<b>Total (a+b)</b>	<b>0.92</b>	<b>10.76</b>
<b>Bifurcation of income tax recognised in other comprehensive income into</b>		
Items that will be reclassified to Statement of Profit and Loss	-	-
Items that will not be reclassified to Statement of Profit and Loss	0.92	10.76

### 35. Employee benefits (Defined benefit plan)

#### Provident fund

The Company makes contributions towards a provident fund under a defined benefit retirement plan for qualifying employees. The provident fund (the 'Fund') is administered by the Trustees of the Tata Communications Employees' Provident Fund Trust (the 'Trust') and by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

The rules of the Fund administered by the Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under the applicable law for the reason that the return on investment is lower or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future. There has also been no such deficiency since the inception of the Fund.

Provident fund contributions amounting to ₹ 41.56 crores (2019 - 2020: ₹ 37.63 crores) have been charged to the Statement of Profit and Loss, under contributions to provident and other funds in note 24 "Employee benefits".

#### Gratuity

The Company makes annual contributions under the Employees Gratuity Scheme to a fund administered by Trustees of the Tata Communications Employees' Gratuity Fund Trust covering all eligible employees. The plan provides for lump sum payments to employees whose right to receive gratuity had vested at the time of resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service except in case of death.

#### Medical benefit

The Company reimburses domiciliary and hospitalisation expenses not exceeding specified limits incurred by eligible and qualifying employees and their dependent family members under the Tata Communications Employee's Medical Reimbursement Scheme.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 35. Employee benefits (Defined benefit plan) (Contd..)

#### Pension plan

The Company's pension obligations relate to certain employees transferred to the Company from OCS. The Company purchases life annuity policies from an insurance company to settle such pension obligations.

These plans typically expose the Company to actuarial risk such as investment risk, interest rate risk, salary risk and demographic risk:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the plan has a relatively balanced mix of investments in government securities, high quality corporate bonds, equity and other debt instruments.
Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The most recent actuarial valuation of the plan assets and defined benefit obligation has been carried out as at 31 March 2021 by an independent actuary.

The details in respect of the status of funding and the amounts recognised in the Company's financial statements for the year ended 31 March 2021 and 31 March 2020 for these defined benefit schemes are as under:

(₹ in crores)

Particulars	Gratuity (funded)		Medical benefits (unfunded)		Pension (unfunded)	
	As at		As at		As at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>I Principal actuarial assumptions:</b>						
Discount rate	6.40%	6.60%	6.40%	6.60%	6.40%	6.60%
Increase in compensation cost	6%	6% to 7%	6%	6% to 7%	-	-
Health care cost increase rate	-	-	7.00%	7.00%	-	-
Attrition rate	3% to 15%	3% to 15%	3% to 15%	3% to 15%		
Post retirement mortality			Annuitants mort 96-98		Annuitants mort 96-98	
Increase in dearness allowance	-	-	-	-	5.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimates of future compensation cost considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 35. Employee benefits (Defined benefit plan) (Contd..)

(₹ in crores)

Particulars	Gratuity (funded)		Medical benefits (unfunded)		Pension (unfunded)	
	Year ended March		Year ended March		Year ended March	
	2021	2020	2021	2020	2021	2020
<b>II Components of defined benefit costs recognised in the Statement of Profit and Loss (refer notes 24 and 27)</b>						
Current service cost	10.54	8.65	0.78	0.67	-	-
Past service cost	-	-	-	-	-	-
Interest cost (net)	0.15	0.18	8.66	8.37	1.99	1.70
<b>Total</b>	<b>10.69</b>	<b>8.83</b>	<b>9.44</b>	<b>9.04</b>	<b>1.99</b>	<b>1.70</b>
<b>III Components of defined benefit costs recognised in the Other Comprehensive Income</b>						
Actuarial (gain)/ loss due to defined benefit obligation experience adjustments	0.47	6.24	14.83	11.51	(8.77)	7.67
Actuarial (gain)/ loss due to defined benefit obligation assumptions changes	(4.04)	5.63	3.36	9.88	0.55	2.32
<b>Actuarial (gain)/ loss arising during the year</b>	<b>(3.57)</b>	<b>11.87</b>	<b>18.19</b>	<b>21.39</b>	<b>(8.22)</b>	<b>9.99</b>
Return on plan assets	(2.75)	(0.48)	-	-	-	-
<b>Total</b>	<b>(6.32)</b>	<b>11.39</b>	<b>18.19</b>	<b>21.39</b>	<b>(8.22)</b>	<b>9.99</b>
	<b>As at 31 March</b>		<b>As at 31 March</b>		<b>As at 31 March</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>IV Amount recognised in the balance sheet</b>						
Obligation at the end of the year	124.75	120.61	152.71	137.37	22.93	31.15
Fair value of plan assets at the end of the year	(133.11)	(103.34)	-	-	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>(8.36)</b>	<b>17.27</b>	<b>152.71</b>	<b>137.37</b>	<b>22.93</b>	<b>31.15</b>
	<b>Year ended March</b>		<b>Year ended March</b>		<b>Year ended March</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>V Change in the defined benefit obligation</b>						
Opening defined benefit obligation	120.61	106.20	137.37	122.26	31.15	27.06
Current service cost	10.54	8.65	0.78	0.67	-	-
Past service cost	-	-	-	-	-	-
Interest cost	7.62	7.26	8.66	8.37	1.99	1.70

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 35. Employee benefits (Defined benefit plan) (Contd..)

(₹ in crores)

Particulars	Gratuity (funded)		Medical benefits (unfunded)		Pension (unfunded)	
	Year ended March		Year ended March		Year ended March	
	2021	2020	2021	2020	2021	2020
Obligation transferred to other companies on transfer of employees	(0.48)	(1.28)	-	-	-	-
Actuarial (gain) / loss on experience adjustments	0.47	6.24	14.83	11.51	(8.77)	7.67
Actuarial (gain) / loss on change in financial assumption	(4.04)	5.63	3.36	9.88	0.55	2.32
Benefits paid	(9.97)	(12.09)	(12.29)	(15.32)	(1.99)	(7.60)
<b>Closing defined benefit obligation</b>	<b>124.75</b>	<b>120.61</b>	<b>152.71</b>	<b>137.37</b>	<b>22.93</b>	<b>31.15</b>

(₹ in crores)

Particulars	Gratuity (funded)	
	Year ended March	
	2021	2020
<b>VI Change in fair value of plan assets</b>		
Opening fair value of plan assets	103.34	98.20
Expected return on plan assets	7.47	7.08
Employer's contribution	19.55	10.95
Transfer to other companies	-	(1.28)
Actuarial (loss)/ gain	2.75	0.48
Benefits paid	-	(12.09)
<b>Closing fair value of plan assets</b>	<b>133.11</b>	<b>103.34</b>
	<b>As at 31 March</b>	
	<b>2021</b>	<b>2020</b>
<b>VII Categories of plan assets as a percentage of total plan assets</b>		
Cash and bank	5.84%	5.22%
Government securities	41.09%	31.24%
Corporate bonds	35.09%	51.62%
Equity	11.21%	8.92%
Others	6.77%	3.00%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets. This policy has been implemented during the current and prior years



## Notes forming part of the financial statements

For the year ended 31 March 2021

### 35. Employee benefits (Defined benefit plan) (Contd..)

VIII A quantitative sensitivity analysis for significant assumption as at 31 March 2021 and 31 March 2020 is as shown below: (As per actuarial valuation report). The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

(₹ in crores)

Particulars	Gratuity (funded)		Medical benefits (unfunded)		Pension (unfunded)	
	As at		As at		As at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Discount rate</b>						
Increase (1%)	(7.87)	(7.89)	(15.56)	(13.74)	(2.61)	(3.25)
Decrease (1%)	8.93	8.97	18.96	16.72	3.01	3.75
<b>Future salary increases</b>						
Increase (1%)	6.20	5.93	-	-	-	-
Decrease (1%)	(5.85)	(5.70)	-	-	-	-
<b>Withdrawal rate</b>						
Increase (5%)	2.66	1.78	(5.52)	(5.45)	-	-
Decrease (5%)	(3.77)	(2.24)	4.57	4.58	-	-
<b>Health care cost increase rate</b>						
Increase (1%)	-	-	13.51	11.79	-	-
Decrease (1%)	-	-	(11.20)	(9.77)	-	-
<b>Post retirement mortality</b>						
Increase (3 years)	-	-	(15.67)	(13.93)	(5.64)	(6.36)
Decrease (3 years)	-	-	16.31	14.45	6.40	7.18
<b>Increase in dearness allowance</b>						
Increase (1%)	-	-	-	-	7.45	9.07
Decrease (1%)	-	-	-	-	(6.78)	(8.23)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 35. Employee benefits (Defined benefit plan) (Contd..)

(₹ in crores)

Particulars	Gratuity (funded)	Medical benefits (unfunded)	Pension (unfunded)
	As at 31 March 2021	As at 31 March 2021	As at 31 March 2021
<b>IX Maturity profile of defined benefit plan</b>			
31 March 2022	14.15	9.91	2.80
31 March 2023	14.58	10.14	2.94
31 March 2024	14.17	10.32	3.09
31 March 2025	15.11	10.53	3.24
31 March 2026	16.08	10.75	3.40
31 March 2027 to 31 March 2030	83.50	55.79	19.75
<b>Total expected payments</b>	<b>157.59</b>	<b>107.44</b>	<b>35.22</b>

#### iii. Leave plan and compensated absences

##### For executives

Leaves unavailed by eligible employees may be carried forward upto 60 days and for employees who have joined post 1 January 2020 carry forward shall be restricted to 45 days. Encashment will be maximum of 30 days by them / their nominees in the event of death or permanent disablement or resignation.

During the previous year, leave unavailed by eligible employees may be carried forward / encashed by them / their nominees in the event of death or permanent disablement or resignation was subject to a maximum leave of 60 days and 45 days for employees who have joined post 1 January 2020.

##### For non executives

Leave unavailed of by eligible employees may be carried forward / encashed by them / their nominees in the event of death or permanent disablement or resignation, subject to a maximum leave of 300 days.

The liability for compensated absences as at the year end is ₹ 58.87 crores (31 March 2020: ₹ 56.06 crores) as shown under non-current provisions ₹ 37.17 crores (31 March 2020: ₹ 50.04 crores) and current provisions ₹ 21.70 crores (31 March 2020: ₹ 6.02 crores). The amount charged to the Statement of Profit and Loss under Salaries and related costs in note 24 "Employee benefits" is ₹ 6.04 crores (2019 - 2020: ₹ 13.40 crores).

### 36. Auditors' remuneration

(Included in other expenses under operating and other expenses - Refer note 25)

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>a. Payment to statutory auditor</b>		
i. For audit fees	4.09	5.48
ii. For taxation matters	0.08	0.08
iii. For other services	0.34	1.29
iv. For reimbursement of expenses	0.34	0.36
<b>b. Payment to cost auditor</b>		
i. For cost audit services	0.09	0.09

Above amount excludes Goods & services tax

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 37. Earnings per share

Particulars	For the year ended	
	31 March 2021	31 March 2020
Net profit/ (loss) after tax attributable to the equity shareholders (in ₹ crores) (A)	962.66	208.78
Number of equity shares outstanding at the end of the year	285,000,000	285,000,000
Weighted average number of shares outstanding during the year (B)	285,000,000	285,000,000
Basic and diluted earnings per share (equity share of ₹ 10 each) (A/B)	33.78	7.33

### 38. Segment reporting

The Board of Directors and the Managing Director of the Company together constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the segments of the Company. The Company's reportable segments are Voice Solutions ("VS"), Data and Managed Services ("DMS") and Real Estate ("RE"). The composition of the reportable segments is as follows:

#### Voice Solutions (VS)

VS includes international and national long distance voice services.

#### Data and Managed Services (DMS)

DMS includes corporate data transmission services, virtual private network signalling and roaming services, television and other network and managed services.

#### Real Estate (RE)

Real Estate includes lease rentals for premises given on lease and does not include premises held for capital appreciation.

(₹ in crores)

Particulars	For the year ended 31 March 2021				For the year ended 31 March 2020			
	VS	DMS	RE	Total	VS	DMS	RE	Total
<b>a. Segment revenues and results</b>								
Revenue from operations	166.02	5,890.43	168.87	6,225.32	202.32	5,379.76	168.25	5,750.33
Segment results	(267.38)	1,168.27	109.76	1,010.65	(290.90)	775.00	110.52	594.62
Finance cost				106.73				55.19
Unallocable expense/ (income) (net)				(325.38)				165.88
<b>Profit/ (Loss) before tax</b>				<b>1,229.30</b>				<b>373.55</b>
Tax expense (net)				266.64				164.77
<b>Profit/ (Loss) for the year</b>				<b>962.66</b>				<b>208.78</b>

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 38. Segment reporting (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021				As at 31 March 2020			
	VS	DMS	RE	Total	VS	DMS	RE	Total
<b>b. Segment assets and liabilities</b>								
Segment assets	100.93	6,083.08	421.03	6,605.04	122.27	6,387.91	501.11	7,011.29
Unallocable assets				7,592.65				6,478.40
<b>Total assets</b>				<b>14,197.69</b>				<b>13,489.69</b>
Segment liabilities	147.18	3,394.69	85.65	3,627.52	189.76	3,386.61	98.71	3,675.08
Unallocated liabilities				1,503.64				1,594.01
<b>Total liabilities</b>				<b>5,131.16</b>				<b>5,269.09</b>

(₹ in crores)

Particulars	For the year ended 31 March 2021				For the year ended 31 March 2020			
	VS	DMS	RE	Total	VS	DMS	RE	Total
<b>c. Other segment information:</b>								
Capital expenditure (allocable) (refer ii below)	8.08	797.33	-	805.41	26.87	1,393.16	-	1,420.03
Depreciation and amortisation (allocable)	10.57	956.32	6.00	972.89	15.93	956.55	4.96	977.44
Non-cash expenses other than depreciation and amortization	2.05	49.57	0.34	38.12	2.36	58.12	0.30	60.78

i. Revenues and network and transmission costs are directly attributable to the segments. Network and transmission costs are allocated based on utilisation of network capacity. Licence fees for VS and DMS have been allocated based on adjusted gross revenues from these services. Depreciation and certain other costs have been allocated to the segments based on various allocation parameters. Segment result is segment revenues less segment expenses. Other income and exceptional items have been considered as "Unallocable".

ii. For the year ended 31 March 2021 and 31 March 2020, capital expenditure includes ₹ 15.70 crores and ₹ 392.27 crores respectively towards right of use assets.

#### d. Geographical information

The revenues from operation have been allocated to countries based on location of the customers as shown below:

#### Segment revenues by geographical market

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
India	5,701.30	5,264.52
United States of America	186.05	182.63
Netherlands *	10.50	9.30
United Kingdom	31.65	28.25
Others	295.82	265.63
	<b>6,225.32</b>	<b>5,750.33</b>

\*Includes amount recorded as revenue from Tata Communications (Netherlands) BV of ₹ Nil (2019 - 2020: ₹ 0.15 crores). Tata Communications (Netherlands) BV is a central contracting party and a transfer pricing administrator for inter-company transactions between the Company and its international subsidiaries.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 38. Segment reporting (Contd..)

All of the segment assets are located in India or in International territorial waters and therefore no further information by location of assets has been provided here.

The Company applies Residual Profit Split Method for recording transactions pertaining to International Telecommunications Services under its Transfer Pricing Policy. This policy governs the majority of the transactions between the Company and its international subsidiaries.

#### e. Information about major customers

##### i. DMS

No single customer contributed 10% or more to DMS revenue for years ended 31 March 2021 and 31 March 2020.

##### ii. VS

(₹ in crores)

Name	For the year ended 31 March 2021	For the year ended 31 March 2020
Customer D	32.13	31.53
Customer C	24.55	19.63
Customer F	19.15	0.70
Customer B	12.05	26.94

##### iii. RE

(₹ in crores)

Name	For the year ended 31 March 2021	For the year ended 31 March 2020
Customer A	148.60	140.31

#### f. Revenue from major services

##### i. DMS

(₹ in crores)

Service	For the year ended 31 March 2021	For the year ended 31 March 2020
Internet connectivity	1,589.53	1,398.71
Global virtual private network	1,173.94	1,165.36
Ethernet	905.51	902.64
National private leased circuit	689.79	527.25
International private leased circuit	165.73	151.20
Others	1,365.93	1,234.60
<b>Revenue from operations</b>	<b>5,890.43</b>	<b>5,379.76</b>

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 38. Segment reporting (Contd..)

##### ii. VS

(₹ in crores)

Service	For the year ended 31 March 2021	For the year ended 31 March 2020
International long distance	131.58	142.40
National long distance	34.44	59.92
<b>Revenue from operations</b>	<b>166.02</b>	<b>202.32</b>

##### iii. RE

(₹ in crores)

Service	For the year ended 31 March 2021	For the year ended 31 March 2020
Real Estate	168.87	168.25
<b>Revenue from operations</b>	<b>168.87</b>	<b>168.25</b>

### 39. Derivatives

Derivatives are not designated as hedging instruments.

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 1 year.

Outstanding derivatives instruments are as follows

Particulars	As at 31 March 2021			As at 31 March 2020		
	(Amount in foreign currency in millions)	(Amount in ₹ crores)	Fair value gain / (loss)	(Amount in foreign currency in millions)	(Amount in ₹ crores)	Fair value gain / (loss)
i. Forward exchange contracts (Buy)						
USD	39.48	291.59	(0.52)	80.65	589.39	22.49
GBP	0.45	4.36	0.17	0.90	8.48	(0.06)

### 40. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(o) to the financial statements.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 40. Financial instruments (Contd..)

#### Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2021 is as follows

(₹ in crores)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives instrument	Amortised cost	Total carrying value
<b>Financial assets</b>					
Investments (other than at cost)	1,158.77	6.16	-	-	1,164.93
Other financial assets	84.62	-	-	190.69	275.31
Trade receivables	-	-	-	1,089.84	1,089.84
Cash and cash equivalents	-	-	-	197.50	197.50
Other bank balances	-	-	-	51.74	51.74
<b>Total</b>	<b>1,243.39</b>	<b>6.16</b>	<b>-</b>	<b>1,529.77</b>	<b>2,779.32</b>
<b>Financial liabilities</b>					
Borrowings	532.14	-	-	46.00	578.14
Other financial liabilities	87.24	-	0.35	537.50	625.09
Trade payables	-	-	-	1,531.99	1,531.99
Lease liabilities	450.89	-	-	-	450.89
<b>Total</b>	<b>1,070.27</b>	<b>-</b>	<b>0.35</b>	<b>2,115.49</b>	<b>3,186.11</b>

The carrying value of financial instruments by categories as at 31 March 2020 is as follows

(₹ in crores)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives instrument	Amortised cost	Total carrying value
<b>Financial assets</b>					
Investments (other than at cost)	564.77	6.16	-	-	570.93
Other financial assets	45.38	-	22.43	158.70	226.51
Trade receivables	-	-	-	1,299.69	1,299.69
Cash and cash equivalents	-	-	-	162.95	162.95
Other bank balances	-	-	-	0.77	0.77
<b>Total</b>	<b>610.15</b>	<b>6.16</b>	<b>22.43</b>	<b>1,622.11</b>	<b>2,260.85</b>
<b>Financial liabilities</b>					
Borrowings	10.64	-	-	532.83	543.47
Other financial liabilities	48.17	-	-	793.97	842.14
Trade payables	-	-	-	1,591.45	1,591.45
Lease liabilities	465.96	-	-	-	465.96
<b>Total</b>	<b>524.77</b>	<b>-</b>	<b>-</b>	<b>2,918.25</b>	<b>3,443.02</b>

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2021 and 31 March 2020 approximate the fair value because of their short term nature. Difference between carrying amount and fair value of other bank balances, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 40. Financial instruments (Contd..)

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required)

#### As at 31 March 2021

(₹ in crores)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
i. Investment in mutual funds	1,158.77	-	-	1,158.77
ii. Investment in equity shares	-	-	6.16	6.16
iii. Guarantee fees receivable from subsidiaries	-	-	84.62	84.62
<b>Total</b>	<b>1,158.77</b>	<b>-</b>	<b>90.78</b>	<b>1,249.55</b>
<b>Financial liabilities</b>				
i. Guarantee fee obligation	-	-	84.62	84.62
ii. Borrowings	-	-	532.14	532.14
iii. Other financial liabilities	-	-	2.62	2.62
iv. Lease liabilities	-	-	450.89	450.89
v. Derivative financial liabilities	-	-	0.35	0.35
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,070.62</b>	<b>1,070.62</b>

#### As at 31 March 2020

(₹ in crores)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
i. Investment in mutual funds	564.77	-	-	564.77
ii. Investment in equity shares	-	-	6.16	6.16
iii. Guarantee fees receivable from subsidiaries	-	-	45.38	45.38
iv. Derivative financial assets	-	22.43	-	22.43
<b>Total</b>	<b>564.77</b>	<b>22.43</b>	<b>51.54</b>	<b>638.74</b>
<b>Financial liabilities</b>				
i. Guarantee fee obligation	-	-	45.38	45.38
ii. Borrowings	-	-	10.64	10.64
iii. Other financial liabilities	-	-	2.79	2.79
iv. Lease liabilities	-	-	465.96	465.96
<b>Total</b>	<b>-</b>	<b>-</b>	<b>524.77</b>	<b>524.77</b>

There have been no transfers between level 1 and level 2 during the year ended 31 March 2021 and 31 March 2020 respectively.

The investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 40. Financial instruments (Contd..)

#### Reconciliation of Level 3 fair value measurement

(₹ in crores)

Particulars	As at	As at
	31 March 2021	31 March 2020
<b>Opening balance</b>	<b>6.16</b>	<b>6.16</b>
Less: Equity investment at FVTOCI	-	-
Less: Financial assets at FVTPL	-	-
<b>Closing balance</b>	<b>6.16</b>	<b>6.16</b>

### 41. Financial risk management objectives and policies

The Company's principal financial liabilities other than derivatives, comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, current investments and cash and cash equivalents that derive directly from its operations. The Company has investments on which gain or loss on fair value is recognised through other comprehensive income and also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The senior management reviews and agrees policies for managing each of these risks, which are summarised below:

#### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL and FVTOCI investments and derivative financial instruments.

#### b) Interest rate risk

Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates as it has long-term debt obligations with fixed interest rates.

#### c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 41. Financial risk management objectives and policies (Contd..)

relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company's objective is to try and protect the underlying values of the Company's balance sheet forex exposures. Exposures are broadly categorised into receivables and payable exposures.

The Company manages its foreign currency risk by entering into derivatives on net exposures, i.e. netting off the receivable and payable exposures in order to take full benefit of natural hedge.

Non-crystallised (not in books) exposures for which cash flows are highly probable are considered for hedging after due consideration of cost of cover, impact of such derivatives on profit and loss due to MTMs (mark to market loss or gains), market / industry practices, regulatory restrictions etc.

As regard net investments in foreign operations, hedging decisions are guided by regulatory requirement, accounting practices and in consultation and approval of senior management on such hedging action.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which would affect the Statement of Profit and Loss and equity.

The following tables sets forth information relating to unhedged foreign currency exposure (net) as at 31 March 2021 and 31 March 2020.

(₹ in crores)

Currency	As at 31 March 2021		As at 31 March 2020	
	Financial liabilities	Financial assets	Financial liabilities	Financial assets
USD	283.61	-	200.23	-
Others	9.05	0.90	10.28	0.21

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹ 14.59 crores and ₹ 10.52 crores for the year ended 31 March 2021 and 31 March 2020 respectively.

#### d) Equity price risk

The Company's non-listed equity securities are not susceptible to market price risk arising from uncertainties about future values of the investment in securities as these investments are accounted for at cost in the financial statements.

#### e) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 41. Financial risk management objectives and policies (Contd..)

In determining the allowances for doubtful trade receivables, the Company has used a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables as mentioned below:

(₹ in crores)

Ageing of receivables	As at 31 March 2021	As at 31 March 2020
Within credit period	510.09	669.15
1-90 days	376.68	292.89
91-180 days	81.85	115.56
181-360 days	77.00	156.30
More than 360 days	44.22	65.79
<b>Total</b>	<b>1,089.84</b>	<b>1,299.69</b>

#### Movement in expected credit loss allowance

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balance</b>	<b>315.28</b>	<b>285.75</b>
Movement in expected credit loss calculated based on lifetime expected credit loss method	35.71	29.53
<b>Balance at the end of the year</b>	<b>350.99</b>	<b>315.28</b>

#### f) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts.

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 41. Financial risk management objectives and policies (Contd..)

(₹ in crores)

As at 31 March 2021	On demand	0 to 12 months	1 to 5 years	> 5 years	Total
Non-current borrowings	-	-	532.14	-	<b>532.14</b>
Other non-current financial liabilities	-	-	58.91	-	<b>58.91</b>
Current borrowings	-	46.00	-	-	<b>46.00</b>
Trade payables	304.55	1,227.44	-	-	<b>1,531.99</b>
Other current financial liabilities	169.74	391.94	4.50	-	<b>566.18</b>

Refer note 44(a) for lease liabilities

(₹ in crores)

As at 31 March 2020	On demand	0 to 12 months	1 to 5 years	> 5 years	Total
Non-current borrowings	-	-	10.64	-	<b>10.64</b>
Other non-current financial liabilities	-	-	18.68	-	<b>18.68</b>
Current borrowings	20.20	512.63	-	-	<b>532.83</b>
Trade payables	165.70	1,425.75	-	-	<b>1,591.45</b>
Other current financial liabilities	682.23	136.73	4.50	-	<b>823.46</b>

Refer note 44(a) for lease liabilities

### 42. Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

### 43. Related party transactions

#### i. Names of related parties and nature of relationship

Sr. No	Category of related parties	Names
a.	Holding Company/ Controlling Entity***	Tata Sons Private Limited (Controlling entity upto 17 March 2021 and holding company w.e.f. 18 March 2021)
b.	Subsidiaries, associates and joint ventures of holding companies/ controlling entities and their subsidiaries* ("Affiliates")	Tata Teleservices Limited
		Panatone Finvest Limited (Controlling entity upto 17 March 2021 and affiliate w.e.f. 18 March 2021)
		Tata Consultancy Services Limited

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 43. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		TCS e-Serve International Limited
		Tata Sky Limited
		Tata Consultancy Services (South Africa) (PTY) Ltd.
		Conneqt Business Solutions Limited (formerly Tata Business Support Services Limited)
		Tata AIG General Insurance Company Limited
		Tata AIA Life Insurance Company Limited
		Tata Capital Financial Services Limited
		Tata Consulting Engineers Limited
		Tata Sky Broadband Private Limited (formerly Quickest Broadband Private Limited)
		Tata International Limited
		C-Edge Technologies Limited
		Tata Housing Development Company Limited
		MahaOnline Limited
		Tata Interactive Systems GmbH
		Tata SIA Airlines Limited
		Tata Asset Management Limited
		Tata Advanced Systems Limited
		MP Online Limited
		AirAsia (India) Limited
		Tata Securities Limited
		Tata Advanced Materials Limited
		Tata Realty and Infrastructure Limited
		Tata Toyo Radiator Limited
		Tata International Wolverine Brands Limited
		Automotive Stampings and Assemblies Limited
		Nova Integrated Systems Limited
		Tata Ficos Automotive Systems Private Limited (formerly Tata Ficos Automotive Systems Limited)
		Tata Capital Housing Finance Limited
		Tata Value Homes Limited (formerly Smart Value Homes Limited)
		Tata AutoComp GY Batteries Private Limited (formerly Tata AutoComp GY Batteries Limited)
		Arvind and Smart Value Homes LLP
		TRIL Infopark Limited
		Kriday Realty Private Limited
		Tata Autocomp Katcon Exhaust Systems Private Limited (formerly Katcon India Private Limited)

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 43. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Sikorsky Aerospace Limited (formerly Tara Aerospace Systems Limited)
		Tata Boeing Aerospace Limited (formerly Tata Aerospace Limited)
		APTOnline Limited (formerly APOne Limited)
		Indian Rotorcraft Limited
		Tata Unistore Limited (formerly Tata Industrial Services Limited)
		Tata Limited
		TRIL Amritsar Projects Limited (formerly TRIF Amritsar Projects Limited)
		TACO Sasken Automotive Electronics Limited
		Tata Autocomp Hendrickson Suspensions Private Limited (formerly Taco Hendrickson Suspensions Private Limited)
		Tata Autocomp Systems Limited
		Tata Industries Limited
		Calsea Footwear Private Limited
		HL Promoters Private Limited
		Smart Value Homes (Boisar) Private Limited (formerly Niyati Sales Private Limited)
		Sector 113 Gatevida Developers Private Limited (formerly Lemon Tree Land & Developers Private Limited)
		Princeton Infrastructure Private Limited
		Promont Hilltop Private Limited
		Smart Value Homes (Peenya Project) Private Limited (formerly Smart Value Homes (Boisar Project) Private Limited)
		Kolkata-One Excelton Private Limited
		TM Automotive Seating Systems Private Limited
		Infiniti Retail Limited
		Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited)
		ATC Telecom Infrastructure Private Limited (formerly Viom Networks Limited) (ceased w.e.f. 16 December 2020)
		Tata Teleservices (Maharashtra) Limited
		ATC Infrastructure Services Private Limited (formerly ATC Infrastructure Services Limited)(ceased w.e.f. 16 December 2020)
		Nelco Limited
		Tatanet Services Limited
		The Tata Power Company Limited
		Tata Power Trading Company Limited
		The Indian Hotels Company Limited
		Titan Company Limited
		Voltas Limited

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 43. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Steel Limited
		Tata Motors Limited
		TP Ajmer Distribution Limited
		Lokmanaya Hospital Private Limited
		Tata Projects Limited
		Tata Technologies Limited
		Trent Limited
		Tata Elxsi Limited
		Tata Chemicals Limited
		Tata Consumer Products Limited (formerly Tata Global Beverages Limited)
		Tata Motors Finance Limited (formerly Sheba Properties Limited)
		Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities & Services Company Limited)
		Roots Corporation Limited
		Rallis India Limited
		Tata Steel Downstream Products Limited (formerly Tata Steel Processing and Distribution Limited)
		Tata Coffee Ltd.
		Star Health & Allied Insurance Company Limited (ceased w.e.f. 28 March 2019)
		Tata Power Delhi Distribution Limited
		Tata Marcopolo Motors Limited
		Tata Metaliks Ltd.
		Piem Hotels Limited
		The Tinsplate Company of India Limited
		Fiora Business Support Services Limited (formerly known as Westland Limited)
		Tata Technologies Europe Limited
		Tata Steel Mining Limited (formerly known as T S Alloys Limited)
		Tata Steel BSL Limited (formerly Bhushan Steel Limited)
		Tata Motors Insurance Broking and Advisory Services Limited
		Powerlinks Transmission Limited
		Indian Steel & Wire Products Ltd.
		T.V.Sundram Iyengar & Sons Private Limited
		Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited)
		Maithon Power Limited
		Sir Dorabji Tata Trust
		Tata Steel Special Economic Zone Limited
		Coastal Gujarat Power Limited
		Vortex Engineering Private Limited

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 43. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Power Solar Systems Limited
		Fiora Hypermarket Limited
		Pamodzi Hotels Plc
		Benares Hotels Limited
		United Hotels Limited
		TML Business Services Limited (formerly Concorde Motors (India) Limited)
		Sir Ratan Tata Trust
		Tata Chemicals Magadi Limited
		Shriji Polymers (India) Limited (ceased w.e.f. 28 August 2020)
		Inditravel Limited (formerly Taj Services Limited)
		TEMA India Private Limited
		TVS Supply Chain Solutions Limited
		Hemisphere Properties India Limited (ceased w.e.f. 27 November 2020)
		Tata Consultancy Services (Africa) (PTY) Ltd.
		Tata SmartFoodz Limited (formerly SmartFoodz Limited)
		Titan Engineering & Automation Limited
		Arrow Infraestate Private Limited
		Tata Lockheed Martin Aerostructures Limited
		Allsec Technologies Limited (w.e.f. 03 June 2019)
		Tata Motors (SA) (Proprietary) Limited
		Tata Motors Finance Solutions Limited
		Tata Digital Limited
		Indusface Private Limited (w.e.f. 21 April 2020)
		Stryder Cycle Private Limited (w.e.f. 20 April 2019)
		TP Central Odisha Distribution Limited (w.e.f. 01 June 2020)
		Artson Engineering Limited (AEL)
		Harita Insurance Broking LLP
		NourishCo Beverages Ltd. (w.e.f. 18 May 2020)
		Fincare Small Finance Bank Limited (w.e.f. 21 January 2021)
		Hampi Expressways Private Limited
		Tata Electronics Private Limited (formerly TRIL Bengaluru Real Estate Four Private Limited) (w.e.f. 21 July 2020)
		Tata Medical and Diagnostics Limited (w.e.f. 23 July 2020)
		TP Luminaire Private Limited
c.	Subsidiaries (Direct)	Tata Communications Payment Solutions Limited
		Tata Communications Transformation Services Limited
		Tata Communications International Pte. Ltd.
		Tata Communications Collaboration Services Private Limited



## Notes forming part of the financial statements

For the year ended 31 March 2021

### 43. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Communications Lanka Limited
		TC IOT Managed Solutions Limited (applied for strike off on 29 November 2019)
d.	Subsidiaries (Indirect)	Tata Communications (Australia) Pty Limited
		Tata Communications SVCS Pte. Ltd. (formerly known as Tata Communications Services (Bermuda) Limited)
		Tata Communications (Bermuda) Limited
		Tata Communications (Canada) Limited
		Tata Communications (America) Inc.
		Tata Communications (Middle East) FZ-LLC
		Tata Communications (UK) Limited
		Tata Communications (France) SAS
		Tata Communications Deutschland GmbH
		Tata Communications (Guam) LLC
		Tata Communications (Hong Kong) Limited
		Tata Communications (Hungary) Kft
		Tata Communications (Ireland) D.A.C.
		Tata Communications (Malaysia) Sdn. Bhd.
		Tata Communications (New Zealand) Limited
		Tata Communications (Taiwan) Limited
		Tata Communications (Italy) S.r.l
		Tata Communications (Japan) KK
		Tata Communications (Poland) Sp. Zoo
		Tata Communications (Russia) LLC
		Tata Communications (Portugal) Instalacao E Manutencao De Redes LDA
		Tata Communications (Spain) S.L
		Tata Communications (Switzerland) GmbH
		Tata Communications (Netherlands) B.V.
		SEPCO Communications Pty Ltd.
		Tata Communications Transformation Services Pte Limited
		Tata Communications Transformation Services (Hungary) Kft.
		Tata Communications Transformation Services (US) Inc
		Tata Communications Transformation Services South Africa (Pty) Limited
		VSNL SNOSPV Pte Ltd
		Tata Communications Move Nederland B.V.
		ITXC IP Holdings S.a r.l
		Tata Communications (Nordic) AS
		Tata Communications (Portugal) Unipessoal LDA
		Tata Communications (Sweden) AB

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 43. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		TCPoP Communication GmbH
		Tata Communications (South Korea) Limited
		Tata Communications (Beijing) Technology Limited
		MuCoso B.V.
		Tata Communications Move UK Limited
		Tata Communications Move Singapore Pte Ltd (Striked off as on 04 January 2021)
		Tata Communications Move B.V. (formerly Telena Holdings B.V.)
		Nexus Connexion (SA) Pty Limited
		Tata Communications (Belgium) SRL
		Tata Communications Services (International) Pte. Ltd.
		Tata Communications (Thailand) Limited
		Tata Communications (Brazil) Participacoes Limitada
		Tata Communications Comunicações E Multimídia (Brazil) Limitada
		TCTS Senegal Limited (w.e.f. 23 December 2019)
		NetFoundry Inc.
		Oasis Smart SIM Europe SAS (w.e.f. 23 December 2020)
		Oasis Smart E-Sim Pte Ltd (w.e.f. 23 December 2020)
e.	Associates	United Telecom Limited
		STT Global Data Centres India Private Limited
		Smart ICT Services Private Limited
f.	Key managerial personnel	Mr. Vinod Kumar (upto 05 July 2019) Managing Director and Group CEO
		Mr. Amur Lakshminarayanan Swaminathan (w.e.f. 26 November 2019)** Managing Director and CEO
h.	Others	Peoplestrong Technologies Private Limited (formerly Peoplestrong HR Services Private Limited)
		Multiples Alternate Asset Management Private Limited
		Encube Ethicals Private Limited
		Tata Communications Employee Provident Fund Trust
		Tata Communications Employee Gratuity Trust

\*where transactions have taken place

\*\*Mr. Amur Lakshminarayanan Swaminathan was appointed as MD & CEO - Designate for the period 3 October 2019 to 25 November 2019 pending necessary regulatory approval

\*\*\*On 16 and 17 March 2021, the Government of India had divested 16.12% of its stake in the Company under the offer for sale mechanism of the stock exchanges to non-promoter shareholders. On 18 March 2021, Panatone Finvest Limited ('Panatone'), a subsidiary of Tata Sons Private Limited ('TSPL') purchased the balance stake of 10% from Government of India through an off-market inter-se transfer of shares between promoters. Consequently, the combined stake of TSPL in the Company increased from 48.87% to 58.87% and Government of India ceased to hold any shares in the Company.

Reimbursement made of expenses incurred by related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 43. Related party transactions (Contd..)

#### ii. Summary of transactions and balances with related parties

(₹ in crores)

Particulars	Holding Company/ Controlling Entity	Affiliates	Subsidiaries (Direct and Indirect)	Key management personnel	Associates	Others	Total
<b>Transactions with related parties</b>							
<b>Dividend paid</b>	<b>16.03</b>	<b>39.67</b>	-	-	-	-	<b>55.70</b>
	62.67	-	-	-	-	-	62.67
<b>Brand equity expenses</b>	<b>15.45</b>	-	-	-	-	-	<b>15.45</b>
	14.25	-	-	-	-	-	14.25
<b>Revenue from operations</b>	<b>3.64</b>	<b>772.27</b>	<b>45.53</b>	-	<b>162.26</b>	<b>0.27</b>	<b>983.97</b>
	2.90	685.56	52.26	-	137.39	0.46	878.57
<b>Network and transmission</b>	-	<b>268.49</b>	<b>580.13</b>	-	<b>18.66</b>	-	<b>867.28</b>
	-	361.35	451.52	-	1.66	-	814.53
<b>Purchase of property, plant and equipment and other intangible assets</b>	-	<b>24.86</b>	<b>5.04</b>	-	-	-	<b>29.90</b>
	-	15.71	12.56	-	-	-	28.27
<b>Sale of property, plant and equipment and other intangible assets</b>	-	-	<b>40.79</b>	-	-	-	<b>40.79</b>
	-	-	2.77	-	-	-	2.77
<b>Additions to Right of Use assets #</b>	-	<b>1.03</b>	-	-	-	-	<b>1.03</b>
	-	7.84	-	-	-	-	7.84
<b>Services rendered</b>	-	<b>24.25</b>	<b>61.63</b>	-	<b>3.74</b>	-	<b>89.62</b>
	-	-	61.74	-	2.16	-	63.90
<b>Services received</b>	<b>0.38</b>	<b>140.01</b>	<b>132.65</b>	-	<b>63.28</b>	-	<b>336.32</b>
	0.64	167.26	126.32	-	64.88	-	359.10
<b>Equity capital contribution</b>	-	-	<b>70.00</b>	-	<b>34.31</b>	-	<b>104.31</b>
	-	-	-	-	49.35	-	49.35
<b>Preference capital contribution</b>	-	-	-	-	-	-	-
	-	-	-	-	0.03	-	0.03
<b>Interest income</b>	-	<b>0.41</b>	<b>7.65</b>	-	-	-	<b>8.06</b>
	-	-	1.38	-	-	-	1.38

#Addition to Right of use assets includes ₹ 2.30 crores on account of impact of Ind AS 116 adoption w.e.f. 1 April 2019 in FY 2019-20

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 43. Related party transactions (Contd..)

(₹ in crores)

Particulars	Holding Company/ Controlling Entity	Affiliates	Subsidiaries (Direct and Indirect)	Key management personnel	Associates	Others	Total
<b>Dividend income</b>	-	-	<b>101.09</b>	-	-	-	<b>101.09</b>
	-	-	68.69	-	-	-	68.69
<b>Guarantee fees</b>	-	-	<b>31.51</b>	-	-	-	<b>31.51</b>
	-	-	31.64	-	-	-	31.64
<b>Managerial remuneration</b>	-	-	-	<b>15.59</b>	-	-	<b>15.59</b>
	-	-	-	5.16	-	-	5.16
<b>Purchase of current investments</b>	-	<b>872.37</b>	-	-	-	-	<b>872.37</b>
	-	870.95	-	-	-	-	870.95
<b>Redemption of current investments</b>	-	<b>879.34</b>	-	-	-	-	<b>879.34</b>
	-	798.29	-	-	-	-	798.29
<b>Contribution to gratuity trust</b>	-	-	-	-	-	<b>19.55</b>	<b>19.55</b>
	-	-	-	-	-	10.95	10.95
<b>Contribution to provident fund trust</b>	-	-	-	-	-	<b>97.09</b>	<b>97.09</b>
	-	-	-	-	-	84.48	84.48
<b>Interest on lease liabilities (forms part of lease payouts of ₹ 1.23 crores (2019-20) ₹ 0.94 crores)</b>	-	<b>0.44</b>	-	-	-	-	<b>0.44</b>
	-	0.48	-	-	-	-	0.48
<b>Balances with related parties</b>							
<b>Receivables</b>	<b>1.43</b>	<b>203.57</b>	<b>67.74</b>	-	<b>21.17</b>	<b>0.01</b>	<b>293.92</b>
	0.89	236.70	95.38	-	90.66	0.03	423.66
<b>Other financial assets - non-current</b>	-	<b>1.94</b>	<b>58.91</b>	-	-	-	<b>60.85</b>
	-	1.95	18.68	-	-	-	20.63
<b>Other investments - current</b>	-	<b>93.46</b>	-	-	-	-	<b>93.46</b>
	-	94.66	-	-	-	-	94.66
<b>Other financial assets - current</b>	-	<b>14.50</b>	<b>54.21</b>	-	<b>30.44</b>	-	<b>99.15</b>
	-	0.58	33.53	-	41.69	-	75.80
<b>Other assets - non-current</b>	-	-	<b>40.11</b>	-	<b>0.08</b>	-	<b>40.19</b>

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 43. Related party transactions (Contd..)

(₹ in crores)

Particulars	Holding Company/ Controlling Entity	Affiliates	Subsidiaries (Direct and Indirect)	Key management personnel	Associates	Others	Total
	-	0.01	-	-	-	-	0.01
<b>Other assets - current</b>							
	-	<b>12.39</b>	<b>3.31</b>	-	<b>2.58</b>	-	<b>18.28</b>
	@	96.44	0.10	-	(7.46)	-	89.08
<b>Trade payables (including capital creditors)</b>							
	<b>14.30</b>	<b>165.29</b>	<b>398.78</b>	-	<b>18.63</b>	<b>0.07</b>	<b>597.07</b>
	12.96	398.93	268.90	-	7.57	-	688.36
<b>Other financial liabilities - current</b>							
	@	<b>5.33</b>	-	-	<b>17.99</b>	-	<b>23.32</b>
	@	5.33	-	-	17.99	-	23.32
<b>Other liabilities - non-current</b>							
	<b>0.05</b>	<b>27.37</b>	<b>0.13</b>	<b>4.95</b>	<b>0.05</b>	<b>0.01</b>	<b>32.56</b>
	-	36.10	-	1.58	-	-	37.68
<b>Other liabilities - current</b>							
	<b>0.74</b>	<b>26.09</b>	<b>4.65</b>	<b>5.37</b>	<b>166.43</b>	<b>8.78</b>	<b>212.06</b>
	@	15.36	5.82	1.49	196.86	7.62	227.15
<b>Guarantees on behalf of subsidiaries</b>							
	-	-	<b>300.32</b>	-	-	-	<b>300.32</b>
	-	-	300.32	-	-	-	300.32
<b>Letter of comfort on behalf of subsidiaries</b>							
	-	-	<b>1,456.32</b>	-	-	-	<b>1,456.32</b>
	-	-	1,661.03	-	-	-	1,661.03
<b>Lease liabilities - current</b>							
	-	<b>0.84</b>	-	-	-	-	<b>0.84</b>
	-	2.74	-	-	-	-	2.74
<b>Lease liabilities - non-current</b>							
	-	<b>1.11</b>	-	-	-	-	<b>1.11</b>
	-	5.05	-	-	-	-	5.05
<b>Provisions</b>							
	-	-	-	<b>0.30</b>	-	-	<b>0.30</b>
	-	-	-	0.04	-	-	0.04

@represents balance of amounts less than ₹ 50,000

Previous year figures are in italics

The Company has issued support letter to its subsidiaries TCPSL and TCIPL in order to enable the subsidiaries to meet its working capital obligation needs over the next 12 months and 18 months respectively as and when required.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 44. Operating lease arrangements

#### a. As lessee

The Company has lease contracts for immovable properties across various locations used in its operations. Such leases generally have lease terms between 1 to 80 years. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

The Company also has certain leases with lease terms of 12 months or less.

The following is the break-up of current and non-current lease liabilities

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Current liability	48.36	29.87
Non-current liability	402.53	436.09
<b>Balances</b>	<b>450.89</b>	<b>465.96</b>

The following is the movement in lease liabilities during the year ended 31 March 2021 and 31 March 2020

(₹ in crores)

Particulars	Amount
Balance as of 1 April 2019	78.85
Additions	390.30
Finance cost accrued during the year	24.27
Payment/ Reversal of lease liabilities	(26.80)
Liabilities settled against leased assets terminated	(0.67)
<b>Balance as at 31 March 2020</b>	<b>465.96</b>
Additions	15.80
Finance cost accrued during the year	38.63
Payment/ Reversal of lease liabilities	(68.95)
Liabilities settled against leased assets terminated	(0.55)
<b>Balance as at 31 March 2021</b>	<b>450.89</b>

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 and 31 March 2020 on an undiscounted basis:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Due not later than one year	83.67	68.18
Due later than one year but not later than five years	283.68	281.79
Later than five years	259.30	329.88
	<b>626.65</b>	<b>679.85</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 44. Operating lease arrangements (Contd..)

#### b. As lessor

- i. In case of certain operating lease agreements relating to dark fiber contracts aggregating ₹ 98.70 crores (31 March 2020: ₹ 98.70 crores) as at 31 March 2021, the gross block, accumulated depreciation and depreciation expense of the assets given on an IRU basis cannot be identified as these assets are not exclusively leased. The lease rentals associated with such IRU arrangements for the year ended 31 March 2021 amount to ₹ 5.62 crores (2019 - 2020: ₹ 5.62 crores).

Future lease rental receipts will be recognised in the Statement of Profit and Loss of subsequent years as follows:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Due not later than one year	5.62	5.62
Due later than one year but not later than five years	15.96	17.89
Later than five years	8.29	11.99
	<b>29.87</b>	<b>35.50</b>

- ii. The Company has leased certain premises under non-cancellable operating lease arrangements to its wholly owned subsidiaries and associates. Future lease rental income in respect of these leases will be recognised in the Statement of Profit and Loss of subsequent years as follows:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Not later than one year	39.29	36.69
Later than one year but not later than five years	128.58	130.69
Later than five years	180.10	210.17
	<b>347.97</b>	<b>377.55</b>

Lease rental income of ₹ 40.17 crores (2019 - 2020: ₹ 40.84 crores) in respect of the above leases has been recognised in the Statement of Profit and Loss for the current year.

### 45. Contingent liabilities and commitments:

#### a. Contingent liabilities

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
i. Guarantees	300.32	300.32
ii. Claims for taxes on income (refer 1 below) *		
- Income tax disputes where department is in appeal against the Company	881.72	754.52
- Other tax disputes	2,222.23	1,984.73
iii. Claims for other taxes *	112.64	119.01
iv. Other claims (refer 2 below)	3,863.38	3,211.94

\*In case the above cases are against the Company, then the Company may be liable for interest exposure of ₹ 1,335.02 crores on final settlement of the claims.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 45. Contingent liabilities and commitments: (Contd..)

#### 1. Claims for taxes on income

Significant claims by the revenue authorities in respect of income tax matters relate to disallowance of deductions claimed under section 80 IA of the Income Tax Act, 1961 from assessment years 1996-97 onwards and transfer pricing adjustments carried out by revenue authorities. The Company has contested the disallowances / adjustments and has preferred appeals which are pending.

The Company has certain tax receivables against the ongoing litigations which will be settled on completion of the respective litigation. The Company is of the view that the said balances are recoverable and does not require any adjustments as at 31 March 2021.

#### 2. Other claims

- i. Telecom Regulatory Authority of India ("TRAI") reduced the Access Deficit Charge ("ADC") rates effective 1 April 2007. All telecom service providers including National Long Distance ("NLD") and International Long Distance ("ILD") operators in India are bound by the TRAI regulations. Accordingly, the Company has recorded the cost relating to ADC at revised rates as directed by TRAI. However, BSNL continued to bill at the ADC rate applicable prior to 1 April 2007. BSNL had filed an appeal against TRAI Interconnect Usage Charges ("IUC") regulation of reduction in ADC and currently this matter is pending with the Hon'ble Supreme Court. The excess billing of BSNL amounting to ₹ 311.84 crores (31 March 2020: ₹ 311.84 crores) has been disclosed as contingent liability.

- ii. During the previous year ended 31 March 2020, the Company had received demands from Department of Telecommunications (DOT) aggregating to ₹ 6,633.43 crores 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 ₹ 5,433.70 crores 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 a revised statement on the basis of actual payment has been submitted to the DOT. Though, the Company believes that it has case to defend, it has made a provision of ₹ 337.17 crores during the quarter ended 31 March 2020 and for the balance amount of ₹ 5,096.53 crores, the Company believes that the likelihood of the same materializing is remote since the deduction of payment basis has not been considered by DOT. During the year ended 31 March 2021, the Company has made a payment of ₹ 379.51 crores under protest to DOT.

With respect to the demands for the balance amount of ₹ 1,199.73 crores, 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 24 October 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 24 October 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. The Company has disclosed total contingent liability of ₹ 2,235.52 crores towards all AGR dues including above demands.

- iii. Upon expiry of the Company's Internet Service Provider ('ISP') license on 24 January 2014, DoT vide letter dated 20 February 2014 extended the validity of the said license for 3 months with condition that entire ISP revenue will be subject to license fees. This conditional extension by DoT, was challenged by

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 45. Contingent liabilities and commitments: (Contd..)

the Company in TDSAT and on 18 October 2019 the Company's petition has been allowed by TDSAT. DoT has filed an appeal in Hon'ble Supreme Court, against the said order, but no stay has been granted by the Hon'ble Supreme Court and appeal is yet to be heard. The Company has continued to disclose an amount of ₹ 1,120.43 crores (31 March 2020: ₹ 854.35 crores) including interest under contingent liabilities.

iv. Other claims of ₹ 195.59 crores (31 March 2020: ₹ 150.18 crores) mainly pertain to routine suits for collection, commercial disputes, claims from customers and/or suppliers, BSNL port charges and claim from Employee State Insurance Corporation.

3. During the earlier years, the Company and its two directors and an ex-employee had received show cause notices from Directorate of Enforcement, Ministry of Finance on alleged violation of the rules and regulations under the Foreign Exchange Management Act, 1999. The contravention amount involved in all these notices is ₹ 593 crores. The liability could extend up to three times the amount quantified as contravention. The Company had provided ₹ 4.50 crores as compounding penalty, based on a legal opinion. During the previous year, Ministry of Information and Broadcasting approval was received and based on the same the Company had filed its application with RBI for compounding of charges. The Company and the named individuals in the SCNs filed their replies to the SCNs refuting the allegations made therein and without prejudice to their contentions and claims filed compounding applications with the RBI. RBI vide its separate orders dated 18 October 2019, had disposed off the compounding applications and had compounded the contravention subject of payment of ₹ 1.48 crores by the Company and ₹ 0.14 crores each by the individuals. The Company had made the payment on its behalf and also on behalf of the individuals. Thereafter, the Company and named individuals have also filed their representation with ED requesting for the closure of the proceedings.

Based on the management assessment and legal advice (wherever taken), the Company believes that the above claims are not probable and would not result in outflow of resources embodying economic benefits.

#### b. Commitments

##### i. Capital commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for amount to ₹ 328.94 crores (31 March 2020: ₹ 272.20 crores) (net of capital advances).

##### ii. Other commitments

1. As at 31 March 2021, the Company has issued Letters of comfort for the credit facility agreements/ derivatives contracts in respect of various subsidiaries (other than guarantees):

(₹ in crores)

Name of the Subsidiary	As at 31 March 2021	As at 31 March 2020
Tata Communications Transformation Services Ltd.	245.00	117.00
Tata Communications (Netherlands) B.V.	877.32	1,030.03
Tata Communications Payment Solutions Limited (TCPSL)	324.00	504.00
Tata Communications Collaboration Services Private Limited	10.00	10.00
<b>Total</b>	<b>1,456.32</b>	<b>1,661.03</b>

The Company has given undertaking to the lenders/ derivative counterparts of above subsidiaries that it shall not reduce its ownership below 51% without their consent.

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 45. Contingent liabilities and commitments: (Contd..)

Letters of comfort utilised are as follows:

(₹ in crores)

Name of the Subsidiary	As at 31 March 2021	As at 31 March 2020
Tata Communications Transformation Services Ltd.	93.12	44.55
Tata Communications (Netherlands) B.V.	877.32	1,030.03
Tata Communications Payment Solutions Limited (TCPSL)	239.66	327.59
<b>Total</b>	<b>1,210.10</b>	<b>1,402.17</b>

- The Company has committed loan facility to wholly owned subsidiaries to the tune of ₹ 4,215.50 crores (31 March 2020: ₹ 4,333.00 crores) as at 31 March 2021, utilisation of which is subject to future requirements and appropriate approval processes from time to time.
- The Company has committed to subscribe to equity shares rights issue offer of STT Global Data Centers India Private Limited upto ₹ 70 crores as at 31 March 2021.

### 46. Dividend remitted to non-resident shareholders

The Company has not remitted any amount in foreign currencies on account of dividend during the year. The particulars of final dividend for the year ended 31 March 2020 and 31 March 2019 paid to non - resident shareholders are as under:

(₹ in crores)

Particulars	During the year 31 March 2021	During the year 31 March 2020
Number of non - resident shareholders	1,450	1,294
Number of shares held by them	50,649,864	54,203,609
Year to which the dividend relates	2019-2020	2018-2019
Amount remitted (net of tax)	15.97	24.39

### 47. Micro and small enterprises

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Principal amount remaining unpaid to any supplier as at the end of the accounting year	13.04	7.58
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.02	0.01
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	58.05	40.49
d. The amount of interest due and payable for the year	0.02	0.01
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	0.02	0.01

## Notes forming part of the financial statements

For the year ended 31 March 2021

### 47. Micro and small enterprises (Contd..)

Particulars	(₹ in crores)	
	As at 31 March 2021	As at 31 March 2020
f. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
g. Total outstanding dues of micro and small enterprises	13.06	7.59

### 48. Events after the reporting period

There are no significant subsequent events between the year ended 31 March 2021 and signing of financial statements as on 28 April 2021 which have material impact on the financials of the Company.

**49.** The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused and continues to cause significant disturbance and slowdown of economic activity. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement up to the date of approval of the financial statements by the Board of Directors. As at the year end, the Company believes that there are no material impact on the financial statements.

### 50. Approval of financial statements

The financial statements were approved for issue by the board of directors on 28 April 2021.

**51.** Previous year's figures have been regrouped/ rearranged where necessary to confirm to current year's classification/ disclosure.

#### For S.R. Batliboi & Associates LLP

Chartered Accountants  
ICAI Firm Registration No. 101049W/ E300004

#### PRASHANT SINGHAL

Partner  
Membership No. 93283

New Delhi  
Date: 28 April 2021

#### For and on behalf of the Board of Directors

#### RENUKA RAMNATH

Chairperson  
Mumbai

#### KABIR AHMED SHAKIR

Chief Financial Officer  
New Delhi  
Date: 28 April 2021

#### AMUR S. LAKSHMINARAYANAN

Managing Director & CEO  
Mumbai

#### ZUBIN PATEL

Company Secretary  
Mumbai

# Consolidated Financial Statements



## INDEPENDENT AUDITOR'S REPORT

To the Members of **Tata Communications Limited**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Tata Communications Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associates in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions

of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Emphasis of Matter paragraph

- i. As fully discussed in note 48(a)(III)(ii) to the consolidated financial statements for the year, the Holding Company had received demands dated September 12, 2019 from Department of Telecommunications (DoT) towards license fee on its Adjusted Gross Revenue (AGR) for FY 2006-07 to 2017-18, for ₹6,633.43 crores. Of this amount, the Holding Company has provided ₹337.17 crores with respect to the demand of ₹5,433.70 crores and believes that the likelihood of the balance demand ₹5,096.53 crores materializing is remote. Further, the Holding Company has disclosed the demand of ₹1,199.72 crores and ₹24.40 crores on estimated basis with respect to equity share in an associate company for a similar matter, as part of contingent liability. The Group believes that it has grounds to defend its position and has also obtained a legal opinion in this regard.
- ii. We draw attention to note 48(a)(II), which describes the uncertainty related to the outcome of the ongoing tax litigation of ₹288.15 crores, in one of the subsidiaries of the Group. The Group is confident of defending its position and has obtained legal opinion in this regard.

#### Our opinion is not modified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in

relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

#### Key audit matters

#### How our audit addressed the key audit matter

##### Receivable on account of Access Facilitation Charges ('AFC') (as described in note 11(i) of the consolidated financial statements)

On November 28, 2018, Telecom Regulatory Authority of India ('TRAI') re-enacted schedules to 2012 Regulation, containing AFC and Operation & Maintenance ('O&M') recovery rates with respect to the use of Cable Landing Stations ('CLS'), pursuant to the High Court judgement dated July 2, 2018 and the Hon'ble Supreme Court judgment dated October 8, 2018. TRAI specified that these revised rates are applicable prospectively.

The Company was recognizing AFC revenue and recovery of the O&M charges, as per the erstwhile rates specified in schedules to 2012 Regulation. In view of above facts, during the year ended March 31, 2019 the Company recognized the differential AFC revenue and O&M charges of ₹348.75 crores for the period January 2013 to November 2018, as per the rates specified in the contracts with the customers.

The customers contested the revised order in the Hon'ble Supreme Court, which in its meeting held on January 28, 2019 directed the TDSAT for evaluation. The TDSAT issued an order dated April 16, 2020 stating the rates are applicable prospectively from November 28, 2018.

The customers have preferred an appeal in Hon'ble Supreme Court against the TDSAT order seeking an interim stay on the order, which is pending. The Company as at March 31, 2021 has receivable of ₹164.11 crores towards the AFC revenue for the period January 2013 to November 2018.

Considering the significance of the amount to the consolidated Ind AS financial statements, the fact that the matter is currently litigative, and management judgement of considering the receivable towards the AFC revenue as recoverable and good, we have considered the matter to be key audit matter.

Our audit procedures related to this key audit matter included the following:

We evaluated the customer correspondences and judgements pronounced by the High court, the Hon'ble Supreme Court and TDSAT.

We tested the underlying computation of necessary adjustments recorded in the books.

We assessed the disclosure made in these consolidated financial statements.

**Key audit matters**
**How our audit addressed the key audit matter**
**Assessment of impairment of Receivables due to the impact of Covid (as described in note 52 of the consolidated financial statements)**

Covid-19 outbreak continues to spread across the globe and India, which has contributed to significant impact to the global financial and economic activities. The Group has assessed the impact of the global pandemic on the consolidated financial statements, including the subsequent events upto the reporting date as below;

- The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions at each reporting date. The management has considered impact of the pandemic on the customer's industry-segment to estimate the probability of default in future on the receivable.

In consideration of the judgments required and considering the uncertainty of estimations, we have considered the matter to be a key audit matter.

Our audit procedures related to this key audit matter included the following:

We tested the effectiveness of controls over the development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions.

We validated the estimates and assumptions used by the management in determining the carrying value of receivables by verifying the underlying calculations and reviewing historical defaults in payment by the customers of the Company.

We reviewed the industry-segment assessment of the management, evaluated the same basis publicly available information and compared with our assessment.

We also made corroborative inquires with appropriate level of management. We tested the mathematical accuracy of the computation done of the allowances.

We assessed the disclosure made in the consolidated financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of

appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included



in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

(a) We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of ₹148.40 crores as at March 31, 2021, and total revenues of ₹62.71 crores and net cash outflows of ₹11.34 crores for the year ended on that date. These financial and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

(b) The consolidated financial statements include the Group's share of net loss of ₹ 2.14 crores for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of three associates, whose financial statements and other financial information have not been audited and whose unaudited financial statements and other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matters' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated

Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act of its subsidiary companies, none of the directors of the Group's companies incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and associate companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Group companies incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated financial statements - Refer note 48(a) to the consolidated financial statements;
- ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates, incorporated in India during the year ended March 31, 2021.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Prashant Singhal**

Partner

Membership Number: 93283

Place of Signature: New Delhi

Date: April 28, 2021

## Annexure 1 To The Independent Auditor's Report Of Even Date On The Consolidated Financial Statements Of Tata Communications Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Tata Communications Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Tata Communications Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance

Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Group companies incorporated in India, have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per **Prashant Singhal**  
Partner  
Membership Number: 93283

Place of Signature: New Delhi  
Date: April 28, 2021

# CONSOLIDATED BALANCE SHEET

as at 31 March 2021

(₹ in crores)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>A ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	8,209.78	9,021.91
(b) Capital work-in-progress		394.46	285.95
(c) Right-of-use assets	47A	1,333.67	1,595.62
(d) Investment property	4	276.94	280.26
(e) Investment property under development		116.21	97.74
(f) Goodwill	5	110.33	91.84
(g) Other intangible assets	6	1,472.68	1,680.81
(h) Intangible assets under development		98.46	62.91
<b>(i) Financial assets</b>			
(i) Investments			
(a) Investments in associates	7	718.69	686.50
(b) Other investments	8A	232.24	214.82
(ii) Other financial assets	9A	126.78	119.85
(j) Deferred tax assets (Net)	18	310.23	279.86
(k) Non current tax asset	48(a)(i)(iv)	1,888.71	1,594.00
(l) Other non-current assets	10A	207.09	207.29
<b>Total non-current assets</b>		<b>15,496.27</b>	<b>16,219.36</b>
<b>(2) Current assets</b>			
(a) Inventories		34.44	72.97
<b>(b) Financial assets</b>			
(i) Other investments	8B	1,282.43	661.78
(ii) Trade receivables	11	2,607.68	3,228.87
(iii) Cash and cash equivalent	12	817.85	850.00
(iv) Bank balance other than (iii) above	13	109.25	59.13
(v) Other financial assets	9B	109.03	139.76
(c) Other current assets	10B	746.22	805.82
<b>Total current assets</b>		<b>5,706.90</b>	<b>5,818.33</b>
Assets classified as held for sale	14	130.24	123.78
<b>Total current assets</b>		<b>5,837.14</b>	<b>5,942.11</b>
<b>TOTAL ASSETS</b>		<b>21,333.41</b>	<b>22,161.47</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	15	285.00	285.00
(b) Other equity	16	(169.54)	(1,563.36)
<b>Equity attributable to equity holders of the parent</b>		<b>115.46</b>	<b>(1,278.36)</b>
Non-controlling interests		28.17	4.75
<b>Total Equity</b>		<b>143.63</b>	<b>(1,273.61)</b>
<b>(2) Liabilities</b>			
<b>(i) Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	17A	8,886.39	6,797.78
(ii) Other financial liabilities	20A	8.79	33.43
(iii) Lease liabilities	47A	1,153.06	1,394.02
(b) Provisions	21A	547.52	602.23
(c) Deferred tax liabilities (Net)	18	27.84	30.37
(d) Other non-current liabilities	22A	2,799.61	3,206.82
<b>Total non-current liabilities</b>		<b>13,423.21</b>	<b>12,064.65</b>
<b>(ii) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	17B	914.75	2,288.46
(ii) Trade payables	19	3,239.47	3,844.99
(iii) Other financial liabilities	20B	847.58	2,599.77
(iv) Lease liabilities	47A	282.08	298.58
(b) Provisions	21B	140.57	123.79
(c) Current tax liabilities (Net)		490.81	290.92
(d) Other current liabilities	22B	1,846.82	1,895.34
<b>Total current liabilities</b>		<b>7,762.08</b>	<b>11,341.85</b>
(e) Liabilities relating to assets held for sale		4.49	28.58
<b>Total current liabilities</b>		<b>7,766.57</b>	<b>11,370.43</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,333.41</b>	<b>22,161.47</b>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 101049W/ E300004

**PRASHANT SINGHAL**

Partner

Membership No. 93283

New Delhi

Dated: 28 April 2021

For and on behalf of the Board of Directors

**RENUKA RAMNATH**

Chairperson

Mumbai

**KABIR AHMED SHAKIR**

Chief Financial Officer

New Delhi

Dated: 28 April 2021

**AMUR S. LAKSHMINARAYANAN**

Managing Director &amp; CEO

Mumbai

**ZUBIN PATEL**

Company Secretary

Mumbai

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

(₹ in crores)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	40	17,100.10	17,067.99
II Other income	23	156.76	69.68
<b>III Total income (I + II)</b>		<b>17,256.86</b>	<b>17,137.67</b>
<b>IV Expenses:</b>			
Network and transmission expense	24	6,333.27	6,777.56
Employee benefits expense	25	3,049.09	3,039.14
Finance costs	27	420.20	470.74
Depreciation and amortisation expense	28	2,313.87	2,357.72
Operating and other expenses	26	3,457.16	3,962.34
<b>Total expenses (IV)</b>		<b>15,573.59</b>	<b>16,607.50</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>1,683.27</b>	<b>530.17</b>
VI Exceptional items	29-34	(74.72)	(390.51)
<b>VII Profit before tax and share of profit/(loss) of associates (V+VI)</b>		<b>1,608.55</b>	<b>139.66</b>
<b>VIII Tax expense/(benefit)</b>	36		
a. Current tax		406.49	334.18
b. Deferred tax		(51.60)	(107.51)
		<b>354.89</b>	<b>226.67</b>
<b>IX Profit/(Loss) before share in profit/(loss) of associates (VII-VIII)</b>		<b>1,253.66</b>	<b>(87.01)</b>
X Share in profit/(loss) of associates	7	(2.14)	2.18
<b>XI Profit/(Loss) for the period (IX+X)</b>		<b>1,251.52</b>	<b>(84.83)</b>
<b>XII Other comprehensive income/(loss)</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
a. Remeasurements of the defined benefit plans		2.30	(49.18)
b. Tax impact on defined benefit plans		(0.49)	12.24
c. Equity instruments through other comprehensive income	8,43	(5.41)	7.19
		<b>(3.58)</b>	<b>(29.88)</b>
<b>A (ii) Items that will be reclassified to profit or loss</b>			
a. Exchange differences in translating the financial statements of foreign operations, net		228.06	(612.09)
b. Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		43.61	(68.88)
c. Tax impact of cash flow hedge		(10.90)	17.74
		<b>260.77</b>	<b>(663.23)</b>
<b>XIII Other comprehensive income/(loss) for the year, net of tax</b>		<b>257.19</b>	<b>(693.11)</b>
<b>XIV Total comprehensive income/(loss) for the year, net of tax (XII+XIII)</b>		<b>1,508.71</b>	<b>(777.94)</b>

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

(₹ in crores)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Company		1,250.63	(85.96)
Non-controlling interests		0.89	1.13
<b>Other comprehensive income/(loss) for the year attributable to:</b>			
Owners of the Company		257.19	(693.11)
Non-controlling interests		-	-
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
Owners of the Company		1,507.82	(779.07)
Non-controlling interests		0.89	1.13
<b>Earnings per share</b>	39		
(Face value of equity share of ₹ 10 each)			
Basic and diluted (₹)		43.88	(3.02)

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 101049W/ E300004

**PRASHANT SINGHAL**

Partner

Membership No. 93283

New Delhi

Dated: 28 April 2021

For and on behalf of the Board of Directors

**RENUKA RAMNATH**

Chairperson

Mumbai

**KABIR AHMED SHAKIR**

Chief Financial Officer

New Delhi

Dated: 28 April 2021

**AMUR S. LAKSHMINARAYANAN**

Managing Director &amp; CEO

Mumbai

**ZUBIN PATEL**

Company Secretary

Mumbai

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2021

(₹ in crores)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>1 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>1,251.52</b>	<b>(84.83)</b>
Adjustments for:		
Income tax expense recognised in consolidated statement of profit and loss	354.89	226.67
Share in (profit)/loss of associate	2.14	(2.18)
Depreciation and amortisation expenses	2,313.87	2,357.72
Gain on disposal of property, plant and equipment and assets (net)	(42.27)	(8.51)
Gain on disposal of assets held for sale (exceptional item, advance received in previous period)	(67.38)	-
Gain on modification/ termination of lease	(31.94)	(3.01)
Interest income on financial assets carried at amortised cost	(11.53)	(4.75)
Finance cost	420.20	470.74
Loss on sale of investment (Exceptional item)	-	6.48
Bad debts written off	47.33	-
Allowance for trade receivables	20.02	64.90
Provision for inventories and CWIP	15.09	30.23
Demerger of Surplus Land (Exceptional item)	-	5.92
Allowance for doubtful advances	0.29	3.45
Gain on investments carried at fair value through profit or loss (net)	(44.54)	(25.53)
Dividend from investments at fair value through OCI	(20.93)	-
Exchange fluctuation	22.10	18.01
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>4,228.86</b>	<b>3,055.31</b>
<b>Adjustment for (increase)/decrease in operating assets</b>		
Inventories	31.51	(6.32)
Trade receivables	515.76	(205.15)
Other assets	70.20	(145.23)
<b>Adjustment for increase/(decrease) in operating liabilities</b>		
Trade payables	(554.67)	(25.50)
Other liabilities	(553.58)	8.34
Provisions	(25.85)	2.79
Adjustment of translation differences on working capital	(35.98)	119.78
<b>Cash generated from operations before tax</b>	<b>3,676.25</b>	<b>2,804.02</b>
Income tax refund/(paid) (net)	(496.42)	(279.26)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>3,179.83</b>	<b>2,524.76</b>

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2021

(₹ in crores)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>2 CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment to purchase of property, plant and equipments and intangible assets	(1,363.63)	(1,680.98)
Advance received towards assets held for sale	9.11	176.79
Proceeds from disposal of property, plant and equipments and intangible assets	11.36	3.55
Proceeds from disposal of asset held for sale	0.41	15.09
Purchase of investments in associates	(34.31)	(49.38)
Purchase of non-current investments	(29.25)	(37.94)
Fixed deposits transferred as part of land demerger	-	(2.90)
Dividend income from investments at fair value through other comprehensive	20.93	-
Net cash outflow on acquisition of subsidiary	(1.58)	-
Purchase of current investments	(6,389.26)	(7,260.75)
Proceeds from sale of current investments	5,813.14	7,220.48
Proceeds from sale of investments in associate	-	72.10
Fixed deposits liquidated	(50.96)	6.54
Earmarked funds	(0.98)	2.72
Interest received	10.42	4.90
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(2,004.60)</b>	<b>(1,529.78)</b>
<b>3 CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Short-term borrowings	2,929.55	3,417.16
Repayment of Short-term borrowings	(4,064.45)	(3,171.84)
Proceeds from Long-term borrowings	5,372.55	1,139.52
Repayment of Long-term borrowings	(4,517.35)	(969.41)
Repayment of lease liabilities	(369.94)	(314.28)
Dividends paid including dividend tax	(114.00)	(150.77)
Dividends paid to non-controlling interest	(1.21)	(2.14)
Finance cost paid	(251.50)	(385.01)
Net (decrease)/increase in working capital borrowings	(188.42)	(505.56)
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(1,204.77)</b>	<b>(942.33)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(29.54)</b>	<b>52.65</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>	<b>850.00</b>	<b>789.06</b>
Exchange difference on translation of foreign currency cash and cash equivalents	(2.61)	8.29
<b>CASH AND CASH EQUIVALENTS AS AT THE YEAR END</b>	<b>817.85</b>	<b>850.00</b>

i Figures in brackets represent outflows

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 101049W/ E300004

**PRASHANT SINGHAL**

Partner

Membership No. 93283

New Delhi

Dated: 28 April 2021

**RENUKA RAMNATH**

Chairperson

Mumbai

**KABIR AHMED SHAKIR**

Chief Financial Officer

New Delhi

Dated: 28 April 2021

For and on behalf of the Board of Directors

**AMUR S. LAKSHMINARAYANAN**

Managing Director &amp; CEO

Mumbai

**ZUBIN PATEL**

Company Secretary

Mumbai

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 31 March 2021

### Equity Share Capital

(₹ in crores)

Particulars	Balance as at 1 April 2019	Changes during the year	Balance as at 31 March 2020	Changes during the period	Balance as at 31 March 2021
Amount (₹ in crores)	285.00	-	285.00	-	285.00
No. of Shares	28,50,00,000	-	28,50,00,000	-	28,50,00,000

### Other Equity

Particulars	Items of other comprehensive income							Total other equity				
	Capital reserve	Security premium reserve	General reserve	Debt redemptions reserve	Retained earnings	Remeasurements of the defined benefit plans	Equity instruments through other comprehensive income		Foreign exchange/ cash flow translation reserve	Attributable to owners of the parent interests*	Non- controlling interests*	
<b>Balance as at 31 March 2019</b>	206.06	725.01	5,357.06	37.50	(4,820.58)	27.38	(4.34)	(1,072.31)	(466.81)	5.76	(461.05)	
Loss for the year	-	-	-	-	(85.96)	-	-	-	(85.96)	1.13	(84.83)	
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	(37.07)	7.19	(51.14)	(612.09)	-	(693.11)	
<b>Total comprehensive income/(loss)</b>	-	-	-	-	(85.96)	(37.07)	7.19	(51.14)	(779.07)	1.13	(777.94)	
Fair valuation loss on Sentient Preference Shares reclassified from AOCI to retained earnings	-	-	-	-	(27.29)	-	27.29	-	-	-	-	
Reclassification of Debt redemption reserves to retained earnings	-	-	37.50	(37.50)	-	-	-	-	-	-	-	
Dividend paid (including dividend tax)	-	-	-	-	(150.77)	-	-	-	(150.77)	(2.14)	(152.91)	
Impact of Ind AS 116 transition on retained earnings	-	-	-	-	(163.65)	-	-	-	(163.65)	-	(163.65)	
Fixed deposits and surplus land transferred as part of land demerger	-	-	-	-	(3.06)	-	-	-	(3.06)	-	(3.06)	
<b>Balance as at 31 March 2020</b>	206.06	725.01	5,394.56	-	(5,251.31)	(9.69)	(888.11)	(55.48)	(1,684.40)	(1,563.36)	4.75	(1,558.61)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 31 March 2021

## Other Equity (Contd..)

Particulars	Items of other comprehensive income							Total other equity				
	Capital reserve	Security premium reserve	General reserve	Debt redemption reserve	Retained earnings	Remeasurements of the defined benefit plans	Equity instruments through comprehensive income		Effective portion of cash flow hedge	Foreign exchange/currency translation reserve	Attributable to owners of the parent	Non-controlling interests*
Profit for the year	-	-	-	-	1,250.63	-	-	-	-	1,250.63	0.89	1,251.52
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	1.83	(5.41)	32.71	228.06	257.19	-	257.19
<b>Total comprehensive income/(loss)</b>	-	-	-	-	<b>1,250.63</b>	<b>1.83</b>	<b>(5.41)</b>	<b>32.71</b>	<b>228.06</b>	<b>1,507.82</b>	<b>0.89</b>	<b>1,508.71</b>
Non controlling interest on acquisition of subsidiary (refer note 37)	-	-	-	-	-	-	-	-	-	-	23.71	23.71
Translation impact of non-controlling interests	-	-	-	-	-	-	-	-	-	-	0.03	0.03
Dividend paid (including dividend tax)	-	-	-	-	(114.00)	-	-	-	-	(114.00)	(1.21)	(115.21)
<b>Balance as at 31 March 2021</b>	<b>206.06</b>	<b>725.01</b>	<b>5,394.56</b>	<b>-</b>	<b>(4,114.68)</b>	<b>(7.86)</b>	<b>(893.52)</b>	<b>(22.77)</b>	<b>(1,456.34)</b>	<b>(169.54)</b>	<b>28.17</b>	<b>(141.37)</b>

\*Pertains to non controlling shareholders in OASIS Smart SIM Europe SAS, SEPCO Communications (Pty) Limited, Tata Communications Lanka Limited (refer note 41)

### See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No. 101049W / E300004

**PRASHANT SINGHAL**  
Partner  
Membership No. 93283

New Delhi  
Dated: 28 April 2021

### For and on behalf of the Board of Directors

**RENUKA RAMNATH**  
Chairperson  
Mumbai

**KABIR AHMED SHAKIR**  
Chief Financial Officer  
New Delhi

Dated: 28 April 2021

**AMUR S. LAKSHMINARAYANAN**  
Managing Director & CEO  
Mumbai

**ZUBIN PATEL**  
Company Secretary  
Mumbai

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 1. Corporate information

TATA Communications Limited (the "Company") was incorporated on 19 March 1986. The Government of India vide its letter No. G-25015/6/86OC dated 27 March 1986, transferred all assets and liabilities of the Overseas Communications Service ("OCS") (part of the Department of Telecommunications, Ministry of Communications) as appearing in the Balance sheet as at 31 March 1986 to the Company with effect from 1 April 1986. During the financial year 2007-08, the Company changed its name from Videsh Sanchar Nigam Limited to Tata Communications Limited and the fresh certificate of incorporation consequent upon the change of name was issued by the Registrar of Companies, Mumbai Maharashtra on 28 January 2008.

The Company is domiciled in India and its registered office is at VSB, Mahatma Gandhi Road, Fort, Mumbai - 400 001. The Company's shares are listed on two recognised stock exchange in India.

Tata Communications Limited and its subsidiaries (collectively "the Group") offers international and national voice and data transmission services, selling and leasing of bandwidth on undersea cable systems, internet connectivity services and other value-added services comprising unified conferencing and collaboration services, managed hosting, mobile global roaming and signalling services, transponder lease, television uplinking and other managed services, set up, own and operate white label Automated Teller Machines ("ATMs"), brown label ATMs, data center colocation services, network management and support and other related services. The Group also undertakes leasing, letting out, licensing or developing immovable properties to earn income of any nature including inter-alia rental, lease, license income, etc from immovable properties of the Company including land and buildings.

### 2. Significant accounting policies

#### a. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

#### b. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (Refer accounting policy regarding financial instruments).

The accounting policies adopted for preparation and presentation of financial statements have been consistently applied. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores (₹ 00,00,000), except when otherwise indicated.

#### c. Going concern

The financial statements of the Group have been prepared on a going concern basis. The consolidated financial statements have been prepared as a going concern basis including considering continuing financial support to the Group's subsidiaries with continuing losses on an accrual basis under the historical cost convention

#### d. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company and its associates. Control is achieved when the Company:

- has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the two elements of control listed above.

Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- i. Derecognises the assets (including goodwill) and liabilities of the subsidiary
- ii. Derecognises the carrying amount of any non-controlling interests
- iii. Derecognises the cumulative translation differences recorded in equity
- iv. Recognises the fair value of the consideration received
- v. Recognises any surplus or deficit in profit or loss
- vi. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or

retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities.

### e. Business Combination

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value, except that:

- i. Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 – Employee Benefits respectively.
- ii. Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non Current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of basis of measurement basis is made on transaction-by-transaction basis.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration, they are measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent settlement dates and is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

### f. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (See note d. above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note g below.

### g. Investments in associates and joint ventures

The associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognize impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### h. Cash and cash equivalents

Cash comprises cash on hand including Cash in ATM, Cash in vault with CRA and remittance in transit. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts do not form an integral part of the Group's cash management and so the same is not considered as component of cash and cash equivalents,

### i. Property, plant and equipment

Property, plant and equipment is stated at cost of acquisition or construction, less accumulated depreciation / amortisation and impairment loss, if any. Cost includes inward freight, duties, taxes and all incidental expenses incurred to bring the assets ready for their intended use.

Jointly owned assets are capitalised in proportion to the Group's ownership interest in such assets.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date and is carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

The depreciable amount for assets is the cost of property, plant and equipment, or other amount substituted for cost, less its estimated residual value, wherever applicable.

Depreciation on property, plant and equipment of the Group has been provided on the straight-line method as per the estimated useful lives. The assets residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Estimated useful lives of Property, plant & equipment of the Company and its Indian subsidiaries are as follows

	Estimated useful life
Plant and machinery	
- Under sea cable **	15 to 20 years or contract period whichever is earlier
- Land cable **	15 years or contract period whichever is earlier
- ATM and cash dispensers **	10 years
- Network equipment, switch and components **	2 to 13 years
- Electrical equipment & installations*	10 years
- Earth station*	13 years
- General plant & machinery*	15 years
Furniture & fixture*	8 to 10 years
Integrated Building Management Systems **	8 years
Other Office equipment*	3 to 5 years
Computers and Servers*	3-6 years
Motor Vehicles*	8 to 10 years
Buildings*	
- Building RCC structure	60 years
- Building NON RCC structure	30 years
- Others	3 to 10 years
Leasehold land **	Over the lease period
Leasehold Building & improvements **	Asset life or lease period whichever is lower

\*On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

\*\*In these cases, the useful lives of the assets are different from the useful lives prescribed in Schedule II to the Companies Act, 2013. The useful lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc. The management believes that these useful lives are realistic and reflect fair approximation of the period for which the assets are eligible to be used.

### Estimated useful lives of the company's foreign subsidiaries:

	Estimated useful life
Building	15 to 25 years
Plant and machinery	3 to 16 years
- Sea cables	20 years or contract period whichever is earlier
Computers	3 to 6 years
Leasehold building & improvement	Asset life or lease period whichever is lower
Furnitures and fixtures	8 to 15 years
Office equipment	8 to 15 years

Property, plant and equipment is eliminated from financial statements on disposal. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Consolidated Statement of Profit and loss in the year of occurrence.

The present value of the expected cost of the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criterias for a provision are met.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

### j. Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

Indefeasible Right to Use ('IRU') taken for optical fibres are capitalized as intangible assets at the



## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

amounts paid for acquiring such rights. These are amortized on straight line basis, over the period of agreement.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the expected useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortized as follows

	Expected useful life
Software and application	2 to 6 years
IRU	Over the contract period
Intellectual Property Rights (IPR)	10 years
License fees	25 Years

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

### k. Investment properties

Investment properties comprise of land and buildings that are held for long term lease rental yields and/or for capital appreciation. Investment properties are initially recognized at cost including transaction cost. Subsequently investment properties comprising of building are carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on building is provided over the estimated useful lives (refer note 2(i)) as specified in Schedule II to the Companies Act, 2013. The residual

values, estimated useful lives and depreciation method of investment properties are reviewed and adjusted on prospective basis as appropriate, at each financial year end. The effects of any revision are included in the Consolidated Statement of Profit and Loss when the changes arise.

Though the Group measures investment properties using cost-based measurement, the fair values of investment properties are disclosed in the notes.

Investment properties are de-recognised when either they have been disposed off or don't meet the criteria of investment property or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Consolidated Statement of Profit and Loss in the period of de-recognition.

### l. Impairment of non-financial assets

The carrying values of assets / cash generating units ("CGU") at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

- an intangible asset that is not yet available for use; and
- an intangible asset with indefinite useful lives

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the fair value less cost of disposal and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

appropriate discount factor. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are considered.

When there is an indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

The Group bases its impairment calculation on detailed budgets and forecast. These budgets and forecast generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows after the significant period.

### m. Leases

#### The Group as a lessee

The Group's lease asset classes primarily consist of leases for Land, buildings and colocation spaces. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assesses whether: (i) the contract involves the use of an identified asset (ii) The Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term

and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer to the accounting policies in note 2(l) Impairment of non-financial assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. The Group uses return on treasury bills with similar maturity as base rate and makes adjustments for spread based on The Group's credit rating as the implicit interest rate cannot be readily determinable. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if The Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet

#### The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### n. Inventories

Inventories of traded goods, required to provide Data and Managed Services ("DMS"), are valued at the lower of cost or net realisable value. Cost includes cost of purchase and all expenses incurred to bring the inventory to its present location and condition. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

### o. Employee benefits

Employee benefits include contribution to provident fund, employee state insurance scheme, gratuity fund, pension, compensated absences and post-employment medical benefits.

#### i. Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives payable within twelve months.

#### ii. Postretirement benefits

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of plan amendment. These benefits include gratuity, pension, provident fund and post-employment medical benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The net interest expense or income is recognised as part of finance cost in the Consolidated Statement of Profit and Loss.

The Group recognises changes in service costs comprising of current service costs, past-service costs gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Consolidated Statement of Profit and Loss.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

#### iii. Other long-term benefits

Compensated absences, which are not expected to occur within twelve months after the end of the period in which the employee renders the related services, are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

## Notes forming part of the Consolidated financial statements

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### p. Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to the customers for an amount, that reflects the consideration, which the Group expects to receive in exchange of those goods or services in normal course of business. Revenue is measured at the fair value of the consideration received or receivable excluding taxes collected on behalf of the government and is reduced for estimated credit notes and other similar allowances.

#### Types of products and services and their revenue recognition criteria are as follows:

- i. Revenue from Voice Solutions (VS) is recognised at the end of each month based on minutes of traffic carried during the month.
- ii. Revenue from Data Managed Services (DMS) is recognised over the period of the arrangement based on contracted fee schedule or based on usage. In respect of sale of equipment (ancillary to DMS) revenue is recognised when the control over the goods has been passed to the customer and/ or the performance obligation has been fulfilled.
- iii. Contracts are unbundled into separately identifiable components and the consideration is allocated to those identifiable components on the basis of their relative fair values. Revenue is recognised for respective components either at the point in time or over time on satisfaction of the performance obligation.
- iv. Bandwidth capacity sale under IRU arrangements is treated as revenue from operations. These arrangements do not have any significant financing component and are recognised on a straight line basis over the term of the relevant IRU arrangement.
- v. Exchange/ swaps with service providers are accounted as monetary/ non-monetary transactions depending on the nature of the arrangement with such service provider
- vi. Revenue/Cost Recovery in respect of annual maintenance service charges is recognised over the period for which services are provided.

vii. Revenues from providing infrastructure managed and incidental services to banking sector are recognised on the basis of the contract with the customer at the end of each month based upon the following:

- On the basis of number of transactions in such month.
- On the basis of fixed service charge for the number of days of usage in such month.

viii. Income from real estate business and dark fibre contracts are considered as revenue from operations

ix. Revenues from telecommunication network management and support services are derived based on unit-priced contracts. Revenue is recognised as the related services are performed, in accordance with the specific terms of the contract with the customers.

x. Accounting treatment of assets and liabilities arising in course of sale of goods and services is set out below:

#### I. Trade receivable

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### II. Contract assets

Contract asset is recorded when revenue is recognized in advance of the Group's right to bill and receive the consideration (i.e. the Company must perform additional services or complete a milestone of performance obligation in order to Bill and receive the consideration as per the contract terms).

#### III. Contract liabilities

Contract liabilities represent consideration, received from our customers in advance for providing the goods and services promised in the contract. The Company defers recognition of the consideration until the

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

related performance obligation is satisfied. Contract liabilities include recurring services billed in advance and the non-recurring charges recognized over the contract/service period. Contract liabilities have been disclosed as deferred revenue in the consolidated financial statements.

The incremental cost of acquisition or fulfilment of a contract with customer is recognised as an asset and amortised over the period of the respective arrangement. This includes nonrecurring charges for connectivity services and incentives for customer contracts as disclosed under network and transmission expense and employee benefits expense respectively.

### q. Other income

- i. Dividend from investments is recognised when the right to receive payment is established and no significant uncertainty as to collectability exists.
- ii. Interest income - For all financial instruments measured at amortised cost, interest income is recorded on accrual basis.

### r. Taxation

#### i. Current income tax

Current income tax expense comprises taxes on income from operations in India and foreign tax jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 (as amended). Tax expense relating to overseas operations is determined in accordance with tax laws applicable in respective countries where such operations are domiciled.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Current tax relating to items recognized outside the Consolidated Statement of Profit and Loss is recognized outside the Consolidated Statement of Profit and Loss. Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

#### ii. Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled and are based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the Consolidated Statement of Profit and Loss is recognized outside the Consolidated Statement of Profit and Loss. Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offsetted if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### s. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

When the Group is committed to sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity

method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

### t. Fair value measurement

The Group measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of a financial asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### u. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

### Transactions and Balances

Transactions in foreign currencies entered into by the Group are accounted for at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the Group, outstanding at the Balance Sheet date are restated at the closing rates prevailing at the end of the reporting period. Non-monetary assets and liabilities of the Group are carried at historical cost. Exchange differences, on foreign currency transactions are recognised in the Consolidated Statement of Profit and Loss.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the end of the reporting period and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

### v. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### w. Earnings Per Share

Basic & diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during

## Notes forming part of the Consolidated financial statements

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the year. The weighted average number of equity shares outstanding during the year is adjusted for events if any of a bonus issue to existing shareholders or a share split.

### x. Provision for decommissioning of assets

The Group's Provision for decommissioning of assets relate to the removal/restoration of/for undersea cables, switches, leased equipment's and certain lease premises at the time of their retiral/vacation.

A provision is recognised based on management's best estimate of the eventual costs that relate to such obligation and is adjusted to the cost of such assets.

Provision for decommissioning of assets costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the Provision for decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Consolidated Statement of Profit and Loss as a finance cost. The estimated future costs of Provision for decommissioning of assets are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

### y. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of an instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### A) Financial assets

#### i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### ii. Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

#### iii. Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

#### iv. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognised (i.e. removed from the Group balance sheet) when:

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and maximum amount of consideration that the Group could be required to repay.

### v. Impairment of financial assets

The Group assesses impairment based on expected credit loss (ECL) model for the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive Income

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at reporting date.

The Group uses a provision matrix to determine impairment loss allowance on the

portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. The historically observed default rates and forward-looking changes in estimates are analyzed and updated annually.

For assessing ECL on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

### B) Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

#### i. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### • Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis and using the effective interest rate (EIR) method.

##### • De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Consolidated Statement of Profit and Loss.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### ii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities

### iii. Derivative financial instruments and Hedge accounting

#### • Initial and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps, cross currency swaps to hedge its foreign currency risks and interest rate risk. Such derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge,

the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

#### • Cash flow hedges

The Group uses Interest Rate Swaps to hedge its exposure to interest rate risk on future cash flows on floating rate loans. The ineffective portion relating to such contracts is recognised in profit and loss and the effective portion is recognised in OCI.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

- **Embedded derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are sole payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

- z. **Significant accounting judgements, estimates and assumption**

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liability as at the date of the financial statement and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

- A. **Judgements**

In the process of applying the Group's accounting policies, the Management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

- Operating lease commitments – Group as lessor

The Group has entered into property leases ('the leases') on its investment property portfolio. The Group has determined the accounting of the leases as operating lease on its Investment property portfolio, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, the fair value of the asset and the fact that it retains all the significant risks and rewards of ownership of these properties.

- B. **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- i. **Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

- ii. **Defined benefit plans**

The cost of the defined benefit plan, gratuity and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- iii. **Useful lives of property, plant and equipments investments properties and intangible assets**

The Group reviews the useful lives of property, plant and equipments investments properties and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortization expense in future periods.

- iv. **Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires estimation of future cash flows, expected to arise from the cash generating unit and the discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment may arise.

- v. **Provision for decommissioning of assets**

Provision for decommissioning of assets relates to the costs associated with the removal of long-lived assets when they will be retired. The Group records a liability at the estimated current fair value of the costs associated with the removal obligations, discounted at present value

using risk-free rate of return. The liability for decommissioning of assets is capitalised by increasing the carrying amount of the related asset and is depreciated over its useful life. The estimated removal liabilities are based on historical cost information, industry factors and engineering estimates

- vi. **Deferred Taxes**

Assessment of the appropriate amount and classification of income taxes is dependent on several factors, including estimates of the timing and probability of realisation of deferred income taxes and the timing of income tax payments. Deferred income taxes are provided for the effect of temporary differences between the amounts of assets and liabilities recognised for financial reporting purposes and the amounts recognised for income tax purposes. The Group measures deferred tax assets and liabilities using enacted tax rates that, if changed, would result in either an increase or decrease in the provision for income taxes in the period of change. The Group does not recognize deferred tax assets when there is no reasonable certainty that a deferred tax asset will be realized. In assessing the reasonable certainty, management considers estimates of future taxable income based on internal projections which are updated to reflect current operating trends the character of income needed to realise future tax benefits, and all available evidence.

- vii. **Provisions and contingent liabilities**

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions and contingent liabilities are reviewed at each balance sheet date.

### aa. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency, if any.

The amendments are extensive and the Group will evaluate the applicability of the same to give effect to them as required by law.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 3. Property, plant and equipment

(₹ in crores)

Particulars	Freehold land	Leasehold land	Leasehold improvements	Building	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Motor vehicles	Total
<b>Cost</b>										
<b>Balance as at 31 March 2019</b>	<b>99.52</b>	<b>1.42</b>	<b>426.49</b>	<b>519.74</b>	<b>23,578.14</b>	<b>234.03</b>	<b>132.81</b>	<b>784.67</b>	<b>1.85</b>	<b>25,778.67</b>
Additions	-	-	15.06	6.49	1,092.58	8.83	7.03	46.11	0.20	1,176.30
Disposals / adjustments	(0.20)	-	(16.08)	(3.60)	(212.35)	(2.99)	(0.94)	(23.39)	(0.07)	(259.62)
Effect of foreign currency translation	7.94	-	21.10	14.77	1,122.32	5.06	2.82	24.39	0.02	1,198.42
Transfers (to)/from investment property	(0.96)	0.47	15.40	(93.27)	-	(1.50)	(0.02)	-	-	(79.88)
Reclassified as held for sale	(1.67)	-	(9.00)	(8.36)	(42.18)	(0.02)	(0.55)	-	-	(61.78)
<b>Balance as at 31 March 2020</b>	<b>104.63</b>	<b>1.89</b>	<b>452.97</b>	<b>435.77</b>	<b>25,538.51</b>	<b>243.41</b>	<b>141.15</b>	<b>831.78</b>	<b>2.00</b>	<b>27,752.11</b>
Additions	-	-	(2.11)	4.85	923.82	3.55	3.54	79.66	-	1,013.31
Acquisition of subsidiary (Refer note 37)	-	-	-	-	-	0.03	0.17	0.70	-	0.90
Disposals / adjustments	-	-	(101.64)	(0.56)	(146.39)	(60.67)	(4.49)	(46.11)	(0.15)	(360.01)
Effect of foreign currency translation	(2.96)	-	(7.88)	(5.28)	(427.08)	(2.14)	(1.11)	(9.27)	(0.01)	(455.73)
Transfers (to)/from investment property	-	-	-	(8.35)	-	-	-	-	-	(8.35)
Transfers	-	-	-	-	-	-	(1.54)	1.54	-	-
Reclassified as held for sale	-	-	-	-	(67.87)	-	-	-	-	(67.87)
<b>Balance as at 31 March 2021</b>	<b>101.67</b>	<b>1.89</b>	<b>341.34</b>	<b>426.43</b>	<b>25,820.99</b>	<b>184.18</b>	<b>137.72</b>	<b>858.30</b>	<b>1.84</b>	<b>27,874.36</b>
<b>Accumulated depreciation</b>										
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>0.03</b>	<b>286.57</b>	<b>184.46</b>	<b>15,146.18</b>	<b>145.94</b>	<b>91.48</b>	<b>681.65</b>	<b>0.87</b>	<b>16,537.18</b>
Depreciation	-	-	51.58	16.49	1,583.17	16.77	11.95	42.46	0.16	1,722.58
Disposals / adjustments	-	-	(15.98)	(1.99)	(208.65)	(2.99)	(0.94)	(23.20)	(0.07)	(253.82)
Effect of foreign currency translation	-	-	14.67	8.53	743.37	2.97	1.68	23.90	0.02	795.14
Transfers (to)/from investment property	-	-	6.86	(26.86)	-	(0.99)	(0.02)	-	-	(21.01)
Reclassified as held for sale	-	-	(5.83)	(5.18)	(38.37)	(0.02)	(0.47)	-	-	(49.87)
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>0.03</b>	<b>337.87</b>	<b>175.45</b>	<b>17,225.70</b>	<b>161.68</b>	<b>103.68</b>	<b>724.81</b>	<b>0.98</b>	<b>18,730.20</b>
Depreciation	-	-	42.54	14.87	1,536.22	15.66	10.89	47.10	0.16	1,667.44
Acquisition of subsidiary (refer note 37)	-	-	-	-	-	0.02	0.05	0.40	-	0.47
Disposals / adjustments	-	-	(101.40)	(0.56)	(141.47)	(59.38)	(4.31)	(46.11)	(0.15)	(353.38)
Effect of foreign currency translation	-	-	(5.87)	(3.21)	(293.84)	(1.27)	(0.69)	(8.93)	(0.01)	(313.82)
Transfers (to)/from investment property	-	-	-	(4.93)	-	-	-	-	-	(4.93)
Transfers	-	-	-	-	-	-	(1.54)	1.54	-	-
Reclassified as held for sale	-	-	-	-	(61.40)	-	-	-	-	(61.40)
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>0.03</b>	<b>273.14</b>	<b>181.62</b>	<b>18,265.21</b>	<b>116.71</b>	<b>108.08</b>	<b>718.81</b>	<b>0.98</b>	<b>19,664.58</b>
<b>Carrying amount</b>										
<b>As at 31 March 2020</b>	<b>104.63</b>	<b>1.86</b>	<b>115.10</b>	<b>260.32</b>	<b>8,312.81</b>	<b>81.73</b>	<b>37.47</b>	<b>106.97</b>	<b>1.02</b>	<b>9,021.91</b>
<b>As at 31 March 2021</b>	<b>101.67</b>	<b>1.86</b>	<b>68.20</b>	<b>244.81</b>	<b>7,555.78</b>	<b>67.47</b>	<b>29.64</b>	<b>139.49</b>	<b>0.86</b>	<b>8,209.78</b>

- Gross block of buildings includes
  - ₹ 34.16 crores (31 March 2020: ₹ 34.16 crores) for properties at Oshiwara & Sanchar Niwas, Mumbai in respect of which title deeds are under dispute and pending resolution in Hon'ble High Court of Mumbai at the year end.
  - ₹ 1.82 crores (31 March 2020: ₹ 1.83 crores) for properties at GIDC Gandhinagar, Gujarat, (Land) at Chattarpur (Delhi) and Greater Kailash (Delhi) in respect of which title deeds is not yet registered in the name of company at the year end.
- Refer note 47 (b) for assets given on operating lease.
- For assets hypothecated/mortgaged, refer note 17 (a).

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 4. Investment property

(₹ in crores)

Particulars	Land	Building	Total
<b>Cost</b>			
<b>Balance as at 31 March 2019</b>	<b>2.76</b>	<b>275.00</b>	<b>277.76</b>
Transfers from property, plant and equipment	0.49	79.39	79.88
Additions during the year	-	62.28	62.28
Reclassified as held for sale	-	(62.28)	(62.28)
Effect of foreign currency exchange differences	-	0.69	0.69
<b>Balance as at 31 March 2020</b>	<b>3.25</b>	<b>355.08</b>	<b>358.33</b>
Transfers from property, plant and equipment	-	8.35	8.35
Additions during the year	-	-	-
Reclassified as held for sale	-	-	-
Effect of foreign currency exchange differences	-	(0.27)	(0.27)
<b>Balance as at 31 March 2021</b>	<b>3.25</b>	<b>363.16</b>	<b>366.41</b>
<b>Accumulated depreciation</b>			
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>51.49</b>	<b>51.49</b>
Depreciation	-	5.21	5.21
Transfers from property, plant and equipment	-	21.01	21.01
Effect of foreign currency exchange differences	-	0.36	0.36
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>78.07</b>	<b>78.07</b>
Depreciation	-	6.62	6.62
Transfers from property, plant and equipment	-	4.93	4.93
Effect of foreign currency exchange differences	-	(0.15)	(0.15)
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>89.47</b>	<b>89.47</b>
<b>Carrying amount as:</b>			
<b>At 31 March 2020</b>	<b>3.25</b>	<b>277.01</b>	<b>280.26</b>
<b>At 31 March 2021</b>	<b>3.25</b>	<b>273.69</b>	<b>276.94</b>

#### a. Information regarding income and expenditure of investment property:

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rental income derived from investment properties (A)	154.55	146.04
<b>Direct operating expenses (including repairs and maintenance) generating rental income:</b>		
Rates & taxes	7.99	7.44
Repairs and maintenance	14.66	15.68
Other operating expenses	4.62	4.22
<b>Total (B)</b>	<b>27.27</b>	<b>27.34</b>
<b>Direct operating expenses (including repairs and maintenance) that did not generate rental income:</b>		
Rates & taxes	0.94	1.88
Repairs and maintenance	1.87	2.77
Other operating expenses	1.64	0.83
<b>Total (C)</b>	<b>4.45</b>	<b>5.48</b>
<b>Total (D) = (B+C)</b>	<b>31.72</b>	<b>32.82</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 4. Investment property (Contd..)

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Profit arising from investment property before depreciation and indirect expenses (E) = (A-D)</b>	<b>122.83</b>	<b>113.22</b>
Less: Depreciation	6.62	5.21
<b>Profit arising from investment properties before indirect expenses</b>	<b>116.21</b>	<b>108.01</b>

#### b. Fair value of investment property

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Investment property	2,258.85	2,184.82

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The best evidence of fair value is current price in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including:

1. Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
2. Capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.

### 5. Goodwill

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Cost</b>		
Balance at the beginning of year	261.43	255.87
Recognized on acquisition of subsidiary (refer note 37 below)	15.86	-
Effect of foreign currency exchange differences	2.63	5.56
<b>Balance at the end of year (a)</b>	<b>279.92</b>	<b>261.43</b>
<b>Accumulated impairment loss</b>		
Balance at the beginning of the year	169.59	169.59
<b>Balance at the end of year (b)</b>	<b>169.59</b>	<b>169.59</b>
<b>Net Carrying amount (a) - (b)</b>	<b>110.33</b>	<b>91.84</b>



## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 6. Other intangible assets

(₹ in crores)

Particulars	Software	IRU	License fees	Intellectual Property rights	Total
<b>Cost</b>					
<b>Balance as at 31 March 2019</b>	<b>2,265.00</b>	<b>2,618.39</b>	<b>5.70</b>	<b>73.33</b>	<b>4,962.42</b>
Additions	190.47	80.05	-	-	270.52
Disposals/adjustments	(1.49)	(0.01)	-	-	(1.50)
Effect of foreign currency translation	115.50	190.71	0.35	4.99	311.55
<b>Balance as at 31 March 2020</b>	<b>2,569.48</b>	<b>2,889.14</b>	<b>6.05</b>	<b>78.32</b>	<b>5,542.99</b>
Additions	106.09	40.05	-	-	146.14
Acquisition of subsidiary (refer note 37)	22.59	-	-	7.83	30.42
Disposals/adjustments	(9.58)	-	-	-	(9.58)
Effect of foreign currency translation	(46.53)	(71.58)	0.29	2.00	(115.82)
<b>Balance as at 31 March 2021</b>	<b>2,642.05</b>	<b>2,857.61</b>	<b>6.34</b>	<b>88.15</b>	<b>5,594.15</b>
<b>Accumulated amortisation</b>					
<b>Balance as at 31 March 2019</b>	<b>1,738.69</b>	<b>1,522.16</b>	<b>3.21</b>	<b>9.83</b>	<b>3,273.89</b>
Amortisation	216.60	147.85	0.86	6.76	372.07
Disposals / adjustments	(1.49)	(0.01)	-	-	(1.50)
Effect of foreign currency translation	103.38	113.02	0.18	1.14	217.72
<b>Balance as at 31 March 2020</b>	<b>2,057.18</b>	<b>1,783.02</b>	<b>4.25</b>	<b>17.73</b>	<b>3,862.18</b>
Amortisation	185.31	144.79	0.64	7.70	338.44
Acquisition of subsidiary (refer note 37)	16.05	-	-	-	16.05
Disposals / adjustments	(9.37)	-	-	-	(9.37)
Effect of foreign currency translation	(41.13)	(45.12)	0.34	0.08	(85.83)
<b>Balance as at 31 March 2021</b>	<b>2,208.04</b>	<b>1,882.69</b>	<b>5.23</b>	<b>25.51</b>	<b>4,121.47</b>
<b>Carrying amount as:</b>					
<b>At 31 March 2020</b>	<b>512.30</b>	<b>1,106.12</b>	<b>1.80</b>	<b>60.59</b>	<b>1,680.81</b>
<b>At 31 March 2021</b>	<b>434.01</b>	<b>974.92</b>	<b>1.11</b>	<b>62.64</b>	<b>1,472.68</b>

### 7. Investments in associates

#### a. Breakup of investments in associates (carrying amount determined using the equity method of accounting)

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	₹ in crores	No of shares	₹ in crores
<b>a Unquoted Investments (fully paid)</b>				
i. STT Global Data Centres India Pvt. Ltd (Includes Goodwill of ₹ 485.01 crores) (31 March 2020: ₹ 485.01 crores) (refer 7 (b) below)	3,016	718.54	2,899	686.30

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 7. Investments in associates (Contd..)

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	₹ in crores	No of shares	₹ in crores
ii. Smart ICT Services Private Limited (refer (i) below)	347,146	0.15	347,146	0.20
iii. United Telecom Limited (UTL)	5,731,900	-	5,731,900	-
<b>Total of investment in associates</b>		<b>718.69</b>		<b>686.50</b>
<b>Aggregate carrying value of unquoted investments</b>		<b>718.69</b>		<b>686.50</b>

i. During the previous year, the Company has acquired an additional 31,960 Cumulative Non- Convertible Redeemable Preference Shares of Smart ICT Services Private Limited.

#### b. Material Associates

The following associates are considered to be material in the Group:

Particulars	Principal activity	Place of incorporation	Proportion of ownership interest/voting right held by the Group	
			As at 31 March 2021	As at 31 March 2020
			STT Global Data Centres India Private Limited	Data Center

#### STT Global Data Centres India Private Limited (STT - India)

The Group has considered this investment to be an investment in associate as it retains shareholding of 26% in STT - India with a right to appoint two directors on their Board. The financial year end date of STT Global Data Centres India Private Limited is 31 March.

During the current year, the Company invested an additional amount of ₹ 34.31 crores (31 Mar 2020: ₹ 49.35 crores) in STT - India.

#### c. Details of Material Associate

#### STT Global Data Centres India Private Limited (STT - India)

The Group has 26% interest in STT - India. The Group's interest is accounted for using the equity method in the consolidated financial statements.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 7. Investments in associates (Contd..)

The following table illustrates the summarized financial information based on the Management financial statements for the current year and audited financial statements for the previous year:

		(₹ in crores)	
		STT - India	
Particulars		As at 31 March 2021	
Non-current assets		4,101.95	
Current assets		558.62	
Non-current liabilities		2,998.62	
Current liabilities*		763.78	
<b>Net Assets*</b>		<b>898.17</b>	

		(₹ in crores)	
		STT - India	
Particulars		For the year ended 31 March 2021	
Income		1,175.04	
Loss for the year *		(8.01)	
Other comprehensive income/(loss)		0.06	
Total comprehensive income/(loss) for the year *		(7.95)	
Group's share of profit/(loss) for the year		(2.09)	
Group's share of total comprehensive income/(loss) for the year*		(2.07)	

\*During the year, the associate considered a provision of ₹ 93.84 crores (net of tax of ₹ 31.56 crores). The Group has not considered this as a provision, which is consistent with the treatment of similar item in its financials and accordingly adjusted the net assets.

Pursuant to above, the Group's share of loss for the year is adjusted by ₹ 24.40 crores (net of tax). (Refer Note 48 (a) (III) (ii) (b))

		(₹ in crores)	
		STT - India	
Particulars		As at 31 March 2020	
Non-current assets		3,795.70	
Current assets		439.04	
Non-current liabilities		2,678.28	
Current liabilities		782.31	
		<b>774.15</b>	

		(₹ in crores)	
		STT - India	STT - Singapore
Particulars		For the year ended 31 March 2020	For the year ended 31 March 2020
Income		1,038.53	77.38
Profit/(loss) for the year		1.00	7.77
Other comprehensive income/(loss)		(0.48)	(6.42)

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 7. Investments in associates (Contd..)

		(₹ in crores)	
		STT - India	STT - Singapore
Particulars		For the year ended 31 March 2020	For the year ended 31 March 2020
Total comprehensive income for the year		0.52	1.35
Group's share of profit for the year		0.26	2.02
Group's share of total comprehensive income for the year		0.13	0.35

		(₹ in crores)	
		STT - India	
Particulars		As at 31 March 2021	As at 31 March 2020
Net Assets of the associate (including fair valuation impact)		898.17	774.15
Proportion of Group's ownership (%)		26%	26%
Proportion of Group's ownership		233.52	201.28
Goodwill		485.02	485.02
Carrying amount of Group's interest		718.54	686.30

#### d. Financial information in respect of Individually not material associates

##### Aggregate financial information of associates that are individually not material

		(₹ in crores)	
		For the year ended 31 March 2021	For the year ended 31 March 2020
Group's share of loss		(0.05)	(0.09)
Group's share of Other Comprehensive Income		-	-
Group's share of Total Comprehensive loss		(0.05)	(0.09)

		(₹ in crores)	
		As at 31 March 2021	As at 31 March 2020
Aggregate carrying amount of Group's interest in these associates		0.15	0.20

#### e. Unrecognised share of loss of an associate

		(₹ in crores)	
		For the year ended 31 March 2021	For the year ended 31 March 2020
Unrecognised share of loss for the year of an associate (UTL)		(17.22)	(21.22)

		(₹ in crores)	
		As at 31 March 2021	As at 31 March 2020
Accumulated unrecognised share of loss of an associate (UTL)		(101.20)	(83.98)

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 8. Other investments

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	₹ in crores	No of shares	₹ in crores
<b>A. Non-current</b>				
<b>Investments at FVTOCI</b>				
<b>a. Fully paid equity shares - unquoted</b>				
- Tata Teleservices Ltd.*	598,213,926	-	598,213,926	-
Other investments (refer note 43)		5.72		5.89
<b>Sub-total (a)</b>		<b>5.72</b>		<b>5.89</b>
<b>b. Fully paid preference shares - unquoted</b>				
- Evolv Technology Solutions, Inc.	2,98,329	0.39	2,98,329	0.46
<b>Sub-total (b)</b>		<b>0.39</b>		<b>0.46</b>
<b>c. Investment in limited liability partnership firm (unquoted)</b>				
Northgate Telecom Innovations				
Partners L.P. (refer b (i) below and note 43)		209.63		191.06
Other investments (refer b (ii) below and note 43)		16.50		17.41
<b>Sub-total (c)</b>		<b>226.13</b>		<b>208.47</b>
<b>Total (a)+(b)+(c)</b>		<b>232.24</b>		<b>214.82</b>
Aggregate carrying value of unquoted investments		232.24		214.82
<b>Total</b>		<b>232.24</b>		<b>214.82</b>
<b>B. Current</b>				
<b>Investments at FVTPL (refer c below)</b>		<b>1,282.43</b>		<b>661.78</b>
Investments at amortised cost (refer a below)		-		@
Market value of investments at FVTPL is equal to carrying value				

\*Equity investment in this company is subject to certain restrictions on transfer as per the terms of individual contractual agreements.

@- Represents value less than ₹ 50,000.

a. During the previous year, the Company received 51 Redeemable Preference Shares (having face value of ₹ 100 per share) each of Bharti Airtel Limited and Bharti Hexacom Limited pursuant to the Composite Scheme of Arrangement amongst Bharti Airtel Limited; Tata Teleservices Limited and Bharti Hexacom Limited and their respective shareholders and creditors as sanctioned by the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi. During the current year, these redeemable preference shares were redeemed at par.

b. The following are additional details in respect of investments in partnership firms:

i. Northgate Telecom Innovations Partners L.P.

Name of Partners	Total capital (USD)	Share of each partner	Total capital (USD)	Share of each partner
	As at 31 March 2021		As at 31 March 2020	
Northgate Telecommunications. L.P.	924,242	1%	803,030	1%
Tata Communications (America) Inc	30,500,000	33%	26,500,000	33%
TeleKom Malaysia Berhad	30,500,000	33%	26,500,000	33%
Telecom Italia Ventures S.r.l	30,500,000	33%	26,500,000	33%

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 8. Other investments (Contd..)

During the year, the group received cash distribution of ₹ 20.93 crores from the fund stating that it is a return on capital (dividend) basis gain on an individual underlying investment and accordingly, it has been accounted for as dividend income in the consolidated statement of profit and loss account. (Refer note 23(h)).

ii. IOTPLUS, L.P.

Name of Partners	Total capital (USD)	Share of each partner	Total capital (USD)	Share of each partner
	As at 31 March 2021		As at 31 March 2020	
Tata Communications Limited	2,000,000	39.80%	2,000,000	39.80%
General Partners	25,126	0.50%	25,126	0.50%
Other	3,000,000	59.7%	3,000,000	59.70%

c. Category-wise other investments

Particulars	As at 31 March 2021	As at 31 March 2020
		(₹ in crores)
<b>Investments at fair value through profit or loss (FVTPL)</b>		
Investment in mutual funds	1,282.35	661.78
Investment in Equity shares	0.08	-
<b>Total (A)</b>	<b>1,282.43</b>	<b>661.78</b>
<b>Investments at fair value through other comprehensive income (FVTOCI)</b>		
Unquoted equity shares and other instruments treated as equity investments (B)	232.24	214.82
<b>Total other investments (A+B)</b>	<b>1,514.67</b>	<b>876.60</b>

### 9. Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
		(₹ in crores)
<b>A. Non - Current</b>		
a. Security deposits		
a. Unsecured, considered good	119.34	112.41
b. Unsecured, considered doubtful	6.06	9.81
Less: Allowance for doubtful security deposits	(6.06)	(9.81)
<b>Sub-total (a)</b>	<b>119.34</b>	<b>112.41</b>
b. Pension contributions recoverable from Government of India (net) - Unsecured, considered good (refer a below)	7.44	7.44
<b>Sub-total (A)</b>	<b>126.78</b>	<b>119.85</b>
<b>B. Current</b>		
a. Forward contract not designated in hedge accounting relationship	0.30	30.62
b. Interest receivable - Unsecured, considered good	1.67	0.62
c. Security deposits		
a. Unsecured, considered good	24.84	40.82
b. Unsecured, considered doubtful	10.75	7.13
Less: Allowance for doubtful security deposits	(10.75)	(7.13)
<b>Sub-total (c)</b>	<b>24.84</b>	<b>40.82</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 9. Other financial assets (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
d. Advances to related parties – Unsecured, considered good	44.70	42.29
e. Other advances/receivables		
a. Unsecured, considered good	37.52	25.41
b. Unsecured considered doubtful	1.97	2.17
Less: Allowance for doubtful advances/receivables	(1.97)	(2.17)
<b>Sub-total (e)</b>	<b>37.52</b>	<b>25.41</b>
<b>Sub-total (B)</b>	<b>109.03</b>	<b>139.76</b>
<b>Total (A) + (B)</b>	<b>235.81</b>	<b>259.61</b>

- a. As at 31 March 2021, the proportionate share of pension obligations and payments of ₹ 61.15 crores (31 March 2020: ₹ 61.15 crores) to the erstwhile OCS employees was recoverable from the Government of India (“the Government”). Pursuant to discussion with the Government, the Company had made a provision of ₹ 53.71 crores (31 March 2020: ₹ 53.71 crores) resulting in a net amount due from the Government towards its share of pension obligations of ₹ 7.44 crores (31 March 2020: ₹ 7.44 crores)

### 10. Other assets

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non-current</b>		
a. NLD license fees recoverable from Government of India		
i. Unsecured, considered good		-
ii. Unsecured, considered doubtful	0.64	0.64
Less: Allowance for doubtful license fees	(0.64)	(0.64)
<b>Sub-total (a)</b>	<b>-</b>	<b>-</b>
b. Amount paid under protest		
i. Unsecured, considered good	5.02	0.82
ii. Unsecured, considered doubtful (refer note 21 (ii))	413.75	34.23
Less: Allowance for doubtful advances	(413.75)	(34.23)
<b>Sub-total (b)</b>	<b>5.02</b>	<b>0.82</b>
c. Capital advances		
i. Unsecured, considered good	14.55	22.98
ii. Unsecured, considered doubtful	6.05	6.05
Less: Allowance for doubtful advances	(6.05)	(6.05)
<b>Sub-total (c)</b>	<b>14.55</b>	<b>22.98</b>
d. Prepaid expenses – Unsecured considered good		
From related parties	0.08	-
From others	147.61	134.06
<b>Sub-total (d)</b>	<b>147.69</b>	<b>134.06</b>
e. Pension asset recoverable – Unsecured, considered good	39.41	48.73
f. Other advances/receivables		
i. Unsecured, considered good	0.42	0.70

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 10. Other assets (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
ii. Unsecured, considered doubtful	-	0.01
Less: Allowance for doubtful advances	-	(0.01)
<b>Sub-total (f)</b>	<b>0.42</b>	<b>0.70</b>
<b>Sub-total (A)</b>	<b>207.09</b>	<b>207.29</b>
<b>B. Current</b>		
a. Balance with Government Authorities – Unsecured, considered good		
- Indirect taxes recoverable (net)	308.46	300.04
b. Advances to contractors and vendors		
i. Unsecured, considered good	30.18	120.19
ii. Unsecured, considered doubtful	2.78	-
Less: Allowance for doubtful advances	(2.78)	-
<b>Sub-total (b)</b>	<b>30.18</b>	<b>120.19</b>
c. Prepaid expenses – Unsecured considered good		
From related parties	14.21	2.19
From others	378.92	371.81
<b>Sub-total (c)</b>	<b>393.13</b>	<b>374.00</b>
d. Advances to Employees		
i. Unsecured, considered good	1.77	3.57
ii. Unsecured, considered doubtful	0.03	0.50
Less: Allowance for doubtful advances	(0.03)	(0.50)
<b>Sub-total (d)</b>	<b>1.77</b>	<b>3.57</b>
e. Other advances/receivables		
i. Unsecured, considered good	12.68	8.02
ii. Unsecured, considered doubtful	-	2.07
Less: Allowance for doubtful advances/receivables	-	(2.07)
<b>Sub-total (e)</b>	<b>12.68</b>	<b>8.02</b>
<b>Sub-total (B)</b>	<b>746.22</b>	<b>805.82</b>
<b>Total (A) + (B)</b>	<b>953.31</b>	<b>1,013.11</b>

### 11. Trade receivable

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured (including unbilled receivables)		
Considered good*	2,607.68	3,228.87
Considered doubtful	589.00	572.46
	<b>3,196.68</b>	<b>3,801.33</b>
Less: Allowance for doubtful receivables (refer note 44 (b))	(589.00)	(572.46)
	<b>2,607.68</b>	<b>3,228.87</b>

\*Includes Trade Receivables from Related Parties (Refer Note 46)

- i. During the earlier years, based on the Supreme Court order dated 8 October 2018, Telecom Regulatory Authority of India (“TRAI”) issued amendment Regulations dated 28 November 2018 specifying charges for Cable Landing Station (“CLS”) access. The new amendment Regulation on CLS dated 28 November 2018 would be effective from date of its publication in official Gazette i.e. 28 November 2018. The Company had challenged the jurisdiction of

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 11. Trade receivable (Contd..)

TRAI on issue of regulation on CLS in the Hon'ble Supreme Court. CLS Access seekers RJIO, BSNL and Association of Competitive Telecom Operators ('ACTO') had filed a petition in TDSAT for declaring retrospective applicability of the newly notified amendment regulations dated 28 November 2018 on CLS, which has been dismissed by TDSAT vide its judgment dated 16 April 2020. The order of TDSAT has been challenged by RJIO and ACTO before Supreme Court by way of separate Statutory appeal and is pending. The receivable balances for these services of ₹ 164 crores, being sub judice are considered good and recoverable.

### 12. Cash and cash equivalents

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Cash on hand	0.06	0.06
b. Remittances in transit	28.59	17.08
c. Cash at Automated Teller Machines (ATM)	337.97	248.97
d. Cash in Vault	42.84	32.35
e. Balances with Banks		
- Current accounts with banks	308.22	419.37
- Deposit accounts with banks	100.17	132.17
	<b>817.85</b>	<b>850.00</b>

### 13. Other bank balances

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>In earmarked accounts</b>		
a. Deposits with original maturity over three months and less than 12 months	107.51	58.36
b. Deposit accounts held as margin money (refer i below)	1.01	0.03
c. Unpaid dividend accounts	0.73	0.74
	<b>109.25</b>	<b>59.13</b>

i. Includes ₹ 1.00 crores (31 March 2020: ₹ Nil) held towards lien for cash credit and overdraft limit and ₹ 0.01 crores (31 March 2020: ₹ 0.03 crores) held towards other legal matters.

### 14. Assets classified as held for sale

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Assets pertaining to Data Centre Property (Pune) (refer a below)	124.28	114.33
b. Assets pertaining to Northern European Ring (NER)	-	6.69
c. Staff Quarters (Refer a. below)	1.64	1.67
d. Land and building at Guldhur Repeater Station (Refer a. below)	1.09	1.09
e. ATM's (refer b. below)	3.23	-
	<b>130.24</b>	<b>123.78</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 14. Assets classified as held for sale (Contd..)

- a. The Management intends to dispose off few staff quarters and few buildings of the Company having net block of ₹ 125.62 crores (31 March 2020: ₹ 114.68 crores) and advances to vendors of ₹ 1.39 crores (31 March 2020: ₹ 2.42 crores) against the same. The Company was only able to partially dispose off its assets classified as held for sale as on 31 March 2020 on account of certain circumstances beyond its control that lead to extension of the period required to complete the sale. The addition during the year is on account of assets transferred in from Capital Work in Progress. Accordingly, these assets have been classified as assets held for sale as on 31 March 2021. Further the fair value of these assets is higher than its carrying value as at 31 March 2021 and hence, no impairment loss has been recognized.
- b. During the year, one of the subsidiary has classified certain ATMs from Property, Plant and Equipment (₹ 6.47 crores) to assets held for sale pursuant to Memorandum of Understanding with a customer for sale of ATMs. Of these assets, the subsidiary has sold ATM's amounting to ₹ 3.24 crores.

### 15. Equity share capital

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>a. Authorized</b>		
400,000,000 (31 March 2020: 400,000,000) Equity shares of ₹ 10 each	400.00	400.00
<b>b. Issued, subscribed and paid up</b>		
285,000,000 (31 March 2020: 285,000,000) Equity shares of ₹ 10 each, fully paid up	285.00	285.00

#### a. Issued, subscribed and paid up

There is no change in the issued, subscribed and paid up share capital of the Company during the current and past five financial years.

#### b. Terms / rights attached to equity shares

The Company has only one class of equity shares with a face value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share at any general meeting of shareholders. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

- c. The Board of Directors have recommended a dividend of ₹ 14 per share (2019-2020: ₹ 4.00 per share) for the year ended 31 March 2021.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 15. Equity share capital (Contd..)

#### d. Number of shares held by each shareholder holding more than 5% of the issued share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	Percentage	No of shares	Percentage
Panatone Finvest Limited*	127,672,854	44.80%	99,172,854	34.80%
Government of India *	-	-	74,446,885	26.12%
Tata Sons Private Limited	40,087,639	14.07%	40,087,639	14.07%
East Bridge Capital Master Fund I Ltd	19,134,676	6.71%	16,827,746	5.90%

\*On 16 and 17 March, 2021, the Government of India had divested 16.12% of its stake in the Company under the offer for sale mechanism of the stock exchanges to non-promoter shareholders. On 18 March 2021, Panatone Finvest Limited ('Panatone'), a subsidiary of Tata Sons Private Limited ('TSPL') purchased the balance stake of 10% from Government of India through an off-market inter-se transfer of shares between promoters. Consequently, the combined stake of Tata Sons Limited in the Company increased from 48.87% to 58.87% and Government of India ceased to hold any shares in the Company.

### 16. Other equity

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Capital reserve (refer a. below)	206.06	206.06
b. Securities premium	725.01	725.01
c. General reserve	5,394.56	5,394.56
d. Retained earning	(4,114.69)	(5,251.31)
e. Remeasurement of retirement benefit plan	(7.86)	(9.69)
f. Reserve for equity instrument through OCI	(893.52)	(888.11)
g. Effective portion of cash flow hedge	(22.77)	(55.48)
h. Foreign currency translation reserve (net)	(1,456.33)	(1,684.40)
	<b>(169.54)</b>	<b>(1,563.36)</b>

#### Notes:

- a. **Capital reserve:** It includes ₹ 205.22 crores (31 March 2020: 205.22 crores) in respect of foreign exchange gains on unutilized proceeds from Global Depository Receipts in earlier years.

### 17. Borrowings

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non - Current</b>		
<b>a. Secured</b>		
<b>Debentures</b>		
Rated, listed non-convertible redeemable debentures (refer a below)	524.07	-
5,250, 7.48% Rated debentures of face value ₹ 10 lakhs each		
<b>b. Unsecured</b>		
<b>i. Term loan from banks</b> (refer c (i) below)	8,096.93	7,961.04

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 17. Borrowings (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>ii. Term loan from Others</b> (refer c (ii) below)	456.88	495.32
<b>Total</b>	<b>8,553.81</b>	<b>8,456.36</b>
Less: Arrangement fees	(34.17)	(23.93)
Less: Current maturities of long term borrowings (refer note 20)	(157.32)	(1,634.65)
<b>Sub-total (A)</b>	<b>8,886.39</b>	<b>6,797.78</b>
<b>B. Current</b>		
<b>a. Unsecured</b>		
<b>From banks</b>		
i. Buyer's credit (rate of interest per annum - 2021: 0.85% to 1.20%, 31 March 2020: 1.02% to 2.74%)	46.00	427.77
ii. Other term loans (2021: 1.09 % to 8.60% 31 March 2020: 1.55% to 9.45% )	604.50	1,399.08
iii. Loan repayable on demand (Bank overdraft)	264.25	461.61
<b>Sub-total (B)</b>	<b>914.75</b>	<b>2,288.46</b>
<b>Total (A) + (B)</b>	<b>9,801.14</b>	<b>9,086.24</b>

#### Notes:

#### Summary of borrowing arrangements

##### a. Secured debentures

During the current year, the Company issued 5,250, 7.48% debentures of face value ₹ 10 lakhs each amounting to ₹ 524.07 crores (net of arrangement fees). These debentures are due for redemption on 19 April 2023 and are secured by first ranking floating pari-passu charge by way of hypothecation and/or mortgage on the moveable property, plant and equipment of the Company (excluding immovable property, computers, motor vehicles, furniture and fixtures and office equipment).

##### b. Unsecured debentures

As at 31 March 2019, the outstanding 1,500, 9.85% debentures amounting to ₹ 150 crores were due for redemption on 2 July 2019. For facilitating the above redemption, the Company had created a DRR of ₹ 37.50 crores. During the previous year, 1,500, 9.85% debentures amounting to ₹ 150.00 crores were redeemed on 2 July 2019 and consequently DRR of ₹ 37.50 crores created to facilitate redemption of above debentures was transferred to general reserve

##### c. Term Loans from banks and others

##### i. Unsecured term loans from banks

#### As at 31 March 2021

Currency of loan	₹ in crores	Rate of Interest	Maturities
USD	3,655.50	LIBOR plus 1.84%	October 2023-October 2025
USD	1,462.20	LIBOR plus 1.20%	June 2024-June 2026
USD	1,151.48	LIBOR plus 1.00%	May 2022
USD	1,096.65	LIBOR plus 1.84%	December 2023- December 2025

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 17. Borrowings (Contd..)

Currency of loan	₹ in crores	Rate of Interest	Maturities
USD	731.10	LIBOR plus 1.10%	December 2022
<b>Total</b>	<b>8,096.93</b>		
Less: Arrangement fees	(34.17)		
	<b>8,062.76</b>		

As at 31 March 2020

Currency of loan	₹ in crores	Rate of Interest	Maturities
USD	2,376.99	LIBOR plus 1.00%	May 2021 - May 2022
USD	1,509.20	LIBOR plus 1.20%	January 2022
USD	1,433.75	LIBOR plus 1.05%	September 2021 - December 2021
USD	1,131.90	LIBOR plus 1.35%	February 2021
USD	754.60	LIBOR plus 1.50%	December, 2020 - December 2021
USD	754.60	LIBOR plus 1.10%	December 2022
<b>Total</b>	<b>7,961.04</b>		
Less: Arrangement fees	(23.93)		
Less: Current maturities	(1,494.27)		
	<b>6,442.84</b>		

LIBOR - London Interbank Offered Rate

### ii. Unsecured term loans from others

As at 31 March 2021

Currency of loan	₹ in crores	Rate of Interest	Maturities
USD	290.29	3.18% Fixed	August 2021-February 2025
USD	112.61	2.13% Fixed	August 2021-August 2025
USD	26.78	2.65% Fixed	August 2021-February 2022
USD	16.50	2.47% Fixed	July 2021
INR	10.70	5.95% Fixed	June 2021 - December 2024
<b>Total</b>	<b>456.88</b>		
Less: Current maturities	(157.32)		
	<b>299.56</b>		

As at 31 March 2020

Currency of loan	₹ in crores	Rate of Interest	Maturities
USD	376.84	3.18% Fixed	August 2020 - February 2025
USD	54.56	2.65% Fixed	August 2020 - February 2022
USD	50.49	2.45% Fixed	April 2020 - July 2021
INR	13.43	5.95% Fixed	June 2020 - December 2024
<b>Total</b>	<b>495.32</b>		
Less: Current maturities	(140.38)		
	<b>354.94</b>		

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### a. Loan covenant

Bank loans contain certain debt covenants relating to EBIDTA to net interest ratio, total net fixed assets to net debt ratio, and limitation on indebtedness if the net debt to EBIDTA is above a particular threshold. As at the year end, the Group has satisfied all debt covenants prescribed in the terms of bank loans and there are no defaults during the current and previous year.

### 18. Deferred tax

A. Significant components of net deferred tax assets and liabilities for the year ended 31 March, 2021 are as follows:

(₹ in crores)

Particulars	Opening balance as at 1 April 2020	Recognised in consolidated statement of Profit or Loss	Recognised in OCI	Effect of foreign exchange	Reserves	Acquisitions/ Disposals	Closing balance as at 31 March 2021
<b>Deferred tax asset/ (liabilities) (net)</b>							
Difference between accounting and tax depreciation / amortization	12.37	23.76		(0.70)		(2.19)	33.24
Unearned income and deferred revenue	19.28	(4.98)		(0.40)		-	13.90
Provision for doubtful trade receivables and advances	89.54	11.19		0.03		-	100.76
Accrued expenditure	171.55	(35.07)		-		-	136.48
Derivative Instrument	17.78	(0.19)	(10.90)	(0.20)		-	6.49
Interest received on provisional income-tax assessment	11.08	(0.39)		-		-	10.69
Provision for employee benefits	39.32	9.96	(3.48)	(0.10)		-	45.70
Carry forward net operating losses	22.85	26.10		(0.86)		-	48.09
Expenditure incurred on NLD license fees	1.32	(1.32)		-		-	-
Foreign currency revaluation (gain)/ loss	(0.63)	0.63				-	-
Revaluation of investments	(136.17)						(136.17)
Undistributed earning	(9.43)	9.33		0.10		-	-
Others	10.63	12.58					23.21
<b>Total deferred tax assets/ (liabilities) (net)</b>	<b>249.49</b>	<b>51.60</b>	<b>(14.38)</b>	<b>(2.13)</b>		<b>(2.19)</b>	<b>282.39</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 18. Deferred tax (Contd..)

#### B. Gross deferred tax assets and liabilities as at 31 March 2021 are as follows:

(₹ in crores)

Particulars	Assets	Liabilities	Deferred tax assets/ (liabilities) (net)
<b>Deferred tax assets / (liabilities) (net) in relation to</b>			
Difference between accounting and tax depreciation/ amortization	72.37	(39.13)	33.24
Unearned income and deferred revenue	5.10	8.80	13.90
Provision for doubtful trade receivables and advances	100.69	0.07	100.76
Accrued expenditure	134.42	2.06	136.48
Derivative Instrument	6.49	-	6.49
Interest received on provisional income-tax assessment	10.69	-	10.69
Provision for employee benefits	45.41	0.29	45.70
Carry forward net operating losses	47.98	0.10	48.08
Foreign currency revaluation (gain)/loss	0.04	(0.03)	0.01
Revaluation of investments	(136.17)	-	(136.17)
Others	23.21	-	23.21
<b>Total deferred tax assets/ (liabilities)</b>	<b>310.23</b>	<b>(27.84)</b>	<b>282.39</b>

#### C. Significant components of net deferred tax assets and liabilities for the year ended 31 March,2020 are as follows:

(₹ in crores)

Particulars	Opening balance as at 1 April 2019	Recognised in consolidated statement of Profit or Loss	Recognised in OCI	Effect of foreign exchange	Reserves	Closing balance as at 31 March 2020
<b>Deferred tax asset/(liabilities) (net)</b>						
Difference between accounting and tax depreciation / amortization	(64.37)	46.25	-	0.40	30.09	12.37
Unearned income and deferred revenue	25.81	(7.17)	-	0.64	-	19.28
Provision for doubtful trade receivables and advances	107.92	(18.43)	-	0.05	-	89.54
Accrued expenditure	94.60	76.76	-	0.19	-	171.55
Derivative Instrument	-	0.01	17.21	0.56	-	17.78
Interest received on provisional income- tax assessment	6.81	4.27	-	-	-	11.08
Provision for employee benefits	48.57	(13.35)	4.00	0.1	-	39.32
Carry forward net operating losses	2.31	19.70	-	0.84	-	22.85
Expenditure incurred on NLD license fees	3.68	(2.36)	-	-	-	1.32
Foreign currency revaluation (gain)/loss	0.09	(0.70)	-	(0.02)	-	(0.63)

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 18. Deferred tax (Contd..)

(₹ in crores)

Particulars	Opening balance as at 1 April 2019	Recognised in consolidated statement of Profit or Loss	Recognised in OCI	Effect of foreign exchange	Reserves	Closing balance as at 31 March 2020
Revaluation of investments	(136.17)	-	-	-	-	(136.17)
Undistributed earning	(10.26)	1.65	-	(0.82)	-	(9.43)
Others	9.69	0.88	-	0.06	-	10.63
<b>Total deferred tax assets/ (liabilities) (net)</b>	<b>88.68</b>	<b>107.51</b>	<b>21.21</b>	<b>2.00</b>	<b>30.09</b>	<b>249.49</b>

#### D. Gross deferred tax assets and liabilities as at 31 March 2020 are as follows:

(₹ in crores)

Particulars	Assets	Liabilities	Deferred tax assets/ (liabilities) (net)
<b>Deferred tax assets / (liabilities) (net) in relation to</b>			
Difference between accounting and tax depreciation/ amortization	51.99	(39.62)	12.37
Unearned income and deferred revenue	3.96	15.32	19.28
Provision for doubtful trade receivables and advances	89.42	0.12	89.54
Accrued expenditure	168.82	2.73	171.55
Derivative Instrument	17.78	-	17.78
Interest received on provisional income-tax assessment	11.08	-	11.08
Provision for employee benefits	38.82	0.50	39.32
Carry forward net operating losses	22.84	0.01	22.85
Expenditure incurred on NLD license fees	1.32	-	1.32
Foreign currency revaluation (gain)/loss	(0.63)	-	(0.63)
Revaluation of investments	(136.17)	-	(136.17)
Undistributed earning	-	(9.43)	(9.43)
Others	10.63	-	10.63
<b>Total deferred tax assets/ (liabilities)</b>	<b>279.86</b>	<b>(30.37)</b>	<b>249.49</b>

#### Unrecognized deductible temporary difference, unused tax losses and unused tax credits

The Group, in certain tax jurisdictions, has unused tax losses and tax credits for which no deferred tax assets have been recognised as it is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Details of such temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognized in the balance sheet is as below:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets with no expiry date	707.71	750.00
Deferred tax assets with expiry date*	463.21	520.00

\*These would expire between 2022 & 2040



## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 19. Trade payables

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
a. Payable to related parties	218.96	457.56
b. Other creditors	3,020.51	3,387.43
	<b>3,239.47</b>	<b>3,844.99</b>

### 20. Other financial liabilities

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non-current</b>		
a. Interest rate swaps designated as hedge accounting relationships	3.81	33.43
b. Government Grants	4.28	-
c. Security deposits	0.70	-
<b>Sub-total (A)</b>	<b>8.79</b>	<b>33.43</b>
<b>B. Current</b>		
a. Interest rate swaps designated as hedge accounting relationship	28.83	44.57
b. Forward contracts not designated as hedge accounting relationship	0.43	-
c. Current maturities of long term borrowings (refer note 17)	157.32	1,634.65
d. Capital creditors	417.53	379.63
e. License fees payable (Refer note 48(a)(III)(ii)(a))	64.42	400.32
f. Interest accrued but not due on loan	57.86	15.72
g. Deposits from customers and contractors	98.16	91.30
h. Government of India account	20.57	20.57
i. Unclaimed dividend (refer a. below)	0.73	0.74
j. Book Overdraft	1.06	11.48
k. Other liabilities	0.67	0.79
<b>Sub-total (B)</b>	<b>847.58</b>	<b>2,599.77</b>
<b>Total (A) + (B)</b>	<b>856.37</b>	<b>2,633.20</b>

a. There are no dividends due and outstanding for a period exceeding seven years.

### 21. Provisions

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non-current</b>		
a. Provision for employee benefits (refer note 38)		
- Compensated absences	45.93	64.45
- Post-employment medical benefits	152.71	137.37
- Pension	24.03	32.48
- Gratuity	2.24	29.00
b. Provision for decommissioning cost	322.61	338.93
<b>Sub-total (A)</b>	<b>547.52</b>	<b>602.23</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 21. Provisions (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>B. Current</b>		
a. Provision for employee benefits (refer note 38)		
- Compensated absences	72.95	51.86
b. Other provisions	67.62	71.93
<b>Sub-total (B)</b>	<b>140.57</b>	<b>123.79</b>
<b>Total (A) + (B)</b>	<b>688.09</b>	<b>726.02</b>

#### (ii) Movement of provisions

(₹ in crores)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Provision for decommissioning cost (refer i below)	Provision for others (refer ii below)	Provision for decommissioning cost (refer i below)	Provision for others (refer ii below)
<b>Opening balance</b>	<b>338.93</b>	<b>71.93</b>	<b>288.58</b>	<b>40.14</b>
-Addition	23.10	3.94	9.11	33.43
-Effect of change in foreign currency translation	(10.71)	-	25.67	-
-Utilisation/adjustment	(5.02)	(8.25)	(0.07)	(1.64)
-Provision no longer required written back	-	-	(4.41)	-
Provision reclass to liabilities relating to assets held for sale	-	-	(15.34)	-
Impact due to change in discount rate	(23.69)	-	35.39	-
<b>Closing balance</b>	<b>322.61</b>	<b>67.62</b>	<b>338.93</b>	<b>71.93</b>
<b>Non-current provisions</b>	<b>322.61</b>	<b>-</b>	<b>338.93</b>	<b>-</b>
<b>Current provisions</b>	<b>-</b>	<b>67.62</b>	<b>-</b>	<b>71.93</b>

i. The provision for decommissioning cost has been recorded in the books of the Group in respect of certain fixed assets.

ii. Provision for others is mainly towards demand/notice received from Employee State Insurance Corporation and Directorate of Revenue Intelligence and provision for other tax matters. Amount paid under protest ₹ 34.49 crores (31 March 2020: ₹ 34.23) as disclosed in note 10.

### 22. Other liabilities

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Non-current</b>		
a. Deferred revenue (refer i below)	2,772.38	3,184.86
b. Accrued employee benefits	24.09	17.95
c. Other liabilities	3.14	4.01
<b>Sub-total (A)</b>	<b>2,799.61</b>	<b>3,206.82</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 22. Other liabilities (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>B. Current</b>		
a. Deferred revenues and advances received from customers (refer i below)	1,042.77	1,066.64
b. Accrued employee cost	538.18	442.06
c. Statutory liabilities		
- TDS	68.60	73.36
- Others	26.25	30.84
d. Other liabilities	171.02	282.44
<b>Sub-total (B)</b>	<b>1,846.82</b>	<b>1,895.34</b>
<b>Total (A) + (B)</b>	<b>4,646.43</b>	<b>5,102.16</b>

i. Deferred revenue represents contract liabilities

### 23. Other income

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Interest on		
i. Bank deposits	8.01	2.99
ii. Other loans and advances	3.51	1.76
b. Gain on investments at FVTPL	44.53	25.53
c. Gain on disposal of property, plant and equipment (net)	46.09	11.93
d. Foreign exchange gain/ (loss) (net)	(58.89)	(26.07)
e. Liabilities no longer required - written back	30.28	17.38
f. Interest on income tax refund	11.81	4.85
g. Shared service fees from associate	0.02	0.03
h. Dividend income	20.93	-
i. Others	50.47	31.28
	<b>156.76</b>	<b>69.68</b>

### 24. Network and transmission expenses

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Charges for use of transmission facilities (refer a below)	6,041.20	6,444.44
b. Royalty and license fee to Department of Telecommunications	214.49	235.81
c. Rent of landlines and satellite channels	77.58	97.31
	<b>6,333.27</b>	<b>6,777.56</b>

a. Charges for use of transmission facilities include cost of certain equipment ancillary to these services of ₹ 173.42 crores (2019 - 2020: ₹ 182.52 crores) which is as per contracts with customers.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 25. Employee benefit expenses

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Salaries and related costs	2,854.21	2,831.52
b. Contributions to provident, gratuity & other funds (refer note 38)	115.64	113.30
c. Staff welfare expenses	79.24	94.32
	<b>3,049.09</b>	<b>3,039.14</b>

### 26. Operating and other expenses

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Consumption of stores	3.89	4.58
b. Light and power	269.11	293.00
c. Repairs and maintenance:		
i. Buildings	42.20	45.44
ii. Plant and machinery	1,787.31	1,842.15
iii. Others	0.14	0.63
d. Bad debts	47.33	-
e. Allowances for doubtful trade receivables	20.02	64.90
f. Allowances for doubtful advances	0.29	3.45
g. Rent	131.42	162.73
h. Rates and taxes	137.22	112.43
i. Travelling	10.89	122.03
j. Telephone	27.92	27.39
k. Printing, postage and stationery	5.71	9.46
l. Legal and professional fees	168.09	296.89
m. Advertising and publicity	90.28	201.95
n. Commission	43.66	35.35
o. Services rendered by agencies	393.30	385.31
p. Insurance	20.57	18.51
q. Corporate social responsibility expenditure (refer i below)	11.85	15.78
r. Donations	0.54	0.42
s. Other expenses (refer note 35)	245.42	319.94
	<b>3,457.16</b>	<b>3,962.34</b>

The expenses above are net off accrual no longer required, written back in the respective expense line item

#### i. Disclosure in respect of Corporate social responsibility (CSR) expenditure

As required by the Companies Act, 2013 and rules thereon, the gross amount required to be spent by the Company and its Indian subsidiaries during the year towards CSR amount to ₹ 11.78 crores (2019 - 2020: ₹ 15.50 crores). The Company and its Indian subsidiaries spent ₹ 11.85 crores (2019- 2020: ₹ 15.78 crores) during the year on CSR activities mainly for promotion of education, social business projects etc. including ₹ 0.94 crores (2019-2020: ₹ 1.78 crores) on construction/acquisition of assets.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 27. Finance cost

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Interest on loans from banks	208.97	344.79
b. Interest on debentures	37.61	3.72
c. Interest on lease liabilities (refer note 47(A)(d))	79.10	67.75
d. Other interest (refer a. below)	94.52	54.48
	<b>420.20</b>	<b>470.74</b>

a. Includes interest cost on actuarial valuation, accretion expenses on decommissioning cost liability and amortization of arrangements fees on borrowings.

### 28. Depreciation and amortisation expenses

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Depreciation on property, plant and equipment (refer note 3)	1,667.44	1,722.58
b. Depreciation of ROU Assets (refer note 47(A)(a))	301.37	257.86
c. Depreciation on investment properties (refer note 4)	6.62	5.21
d. Amortisation of intangible assets (refer note 6)	338.44	372.07
	<b>2,313.87</b>	<b>2,357.72</b>

a. Depreciation and amortisation expenses include depreciation of ₹ 74.62 crores (2019-2020: ₹ 79.63 crores) on certain assets that are not in use.

b. During the previous year ended March 31, 2020, the Group has aligned useful life of certain upgrades to the property, plant and equipment with the useful life of the respective base assets and has recorded an additional depreciation charge of ₹ 27.93 crores.

### 29. Exceptional items

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Gain on sale of assets held for sale (refer note 30)*	(67.38)	-
Insurance claim (refer note 31)*	(24.25)	-
Staff cost optimisation (refer note 32)	128.47	36.47
Provision towards License Fees and related interest (refer note 33)	37.88	341.64
Loss on sale of investment	-	6.48
Provision towards advances (refer note 34)	-	5.92
	<b>74.72</b>	<b>390.51</b>

\*Figures in brackets represent gains

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 30. Gain on sale of assets

During the year ended March 31, 2021, the Company concluded the sale of a parcel of its land along with building on such land, for a total consideration of ₹ 67.41 crores (net of transaction cost) resulting into a gain of ₹ 67.38 crores. These assets were disclosed under assets held for sale

### 31. Insurance claim

During the current year, the Company has recognized an insurance claim of ₹ 24.25 crores based on assessment by the insurance company on minimum admissible claim against loss caused due to malfunctioning of the fire suppression system in earlier years.

### 32. Staff cost optimisation

As part of its initiative to enhance the long-term efficiency of the business, the Group undertook organisational changes to align to the Group's current and prospective business requirements. These changes involved certain positions in the Group becoming redundant and the Group incurred a one-time charge/(reversal) of ₹ 128.47 crores (2019 - 2020: ₹ 36.47 crores).

### 33. Provision for license fees

During the previous year, the Company made a provision towards licence fees and related interest cost of ₹ 341.64 crores which includes ₹ 337.17 crores towards the period covered in the DOT demand. Further during the current year, the Company made a provision of ₹ 37.88 crores towards interest on the unpaid provisions (Refer note 48(a)(III)(ii)(a)).

### 34. Provision for advances

On March 5, 2018, the Company filed with the National Company Law Tribunal, Mumbai Bench ("NCLT"), a scheme of arrangement and reconstruction among the Company and Hemisphere Properties India Limited ("HPIL") and their respective shareholders and creditors for demerger of surplus land ("Scheme"). By order of the NCLT, a meeting of the shareholders of the Company was held on May 10, 2018, at which the shareholders approved the Scheme. On July 12, 2018, the NCLT approved the Scheme. HPIL, being a 'government company', as defined under Section 2(45) of the Companies Act, 2013, had filed its petition seeking sanction to the Scheme, before the Central Government through the Ministry of Corporate Affairs, New Delhi ("MCA"). The MCA has approved the Scheme through its order dated August 5, 2019 and HPIL has filed the order with the Registrar of Companies, New Delhi. Consequent to the receipt of the approvals of the NCLT and the MCA, to the Scheme, the Board of Directors of the Company fixed September 18, 2019 as the "Record Date" for the Scheme, for determining the shareholders of the Company who shall be eligible to receive the equity shares of HPIL. The Board of Directors of HPIL, at its meeting held on February 18, 2020, approved the allotment of HPIL's shares to the shareholders of the Company on the Record Date in the ratio of 1 share of HPIL for every share of the Company. During the current year, the Company has been informed that the shares allotted by HPIL to the shareholders of the Company have been listed on BSE Limited and National Stock Exchange of India Limited with effect from 22 October 2020. Accordingly, during the previous year, the Company has recorded an expense of ₹ 5.92 crores relating to such demerger under exceptional items. Further, the carrying value of surplus land and fixed deposits amounting to ₹ 3.06 crores was derecognised and the same was adjusted in retained earnings.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 35. Auditors' remuneration

(Included in other expenses under operating and other expenses – refer note 26)

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>a. Payment to statutory auditor</b>		
i. For audit fees	4.55	5.94
ii. For taxation matters	0.14	0.15
iii. For other services	2.79	2.89
iv. For reimbursement of expenses	0.34	0.36
<b>b. Payment to cost auditor</b>		
i. For cost audit services	0.09	0.09

Above amount excludes GST/ Services tax

### 36. Income tax

#### i. Income tax recognised in Profit or Loss

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current tax</b>		
In respect of current year	446.50	315.17
In respect of prior years	(40.01)	19.01
<b>Sub-total current tax (a)</b>	<b>406.49</b>	<b>334.18</b>
<b>Deferred tax</b>		
In respect of the current year	(92.77)	(98.46)
In respect of prior years	41.17	(9.05)
<b>Sub-total deferred tax (b)</b>	<b>(51.60)</b>	<b>(107.51)</b>
<b>Total Income tax (a+b)</b>	<b>354.89</b>	<b>226.67</b>

#### ii. Total Income tax expense for the year reconciled to the accounting profit as follows

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Profit before tax from operations</b>	<b>1,608.55</b>	<b>139.66</b>
<b>Income tax expense calculated at (25.168% (2019-2020: 25.168%) - (A))</b>	<b>404.84</b>	<b>35.14</b>
<b>Adjustments:</b>		
(Income)/expenses (net) not taxable/deductible	(17.35)	13.54
Adjustment in respect of previous years	1.16	9.96
Impact of change in statutory tax rates (refer (a) below)	-	73.22
Differences arising from different tax rates	(38.15)	9.43
Tax on undistributed earnings of subsidiary	(9.42)	1.65
Losses and deductible difference against which no deferred tax assets Recognised	(0.64)	61.59
Foreign withholding tax not recoverable	16.76	16.06
Others, net	(2.31)	6.08
<b>Sub total (B)</b>	<b>(49.95)</b>	<b>191.53</b>
<b>Income tax expense recognised in Consolidated Statement of Profit or Loss(A+B)</b>	<b>354.89</b>	<b>226.67</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 36. Income tax (Contd..)

- a. The Company and its Indian subsidiaries have exercised the option of lower tax rate of 25.17% (inclusive of surcharge and cess) permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Deferred Tax Assets (net) as at March 31, 2019 have been re-measured. Consequently, tax expense for year ended March 31, 2020 includes a charge of ₹ 73.22 crores.

#### iii. Income tax recognised in other comprehensive income

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current tax expense/(income) (a)</b>	<b>(2.99)</b>	<b>(8.77)</b>
<b>Deferred tax expense/(income) (b)</b>	<b>14.38</b>	<b>(21.21)</b>
<b>Total (a+b)</b>	<b>11.39</b>	<b>(29.98)</b>
<b>Bifurcation of income tax recognized in OCI</b>		
Items that will not be reclassified to profit or loss	(0.49)	12.24
Items that will be reclassified to profit or loss	(10.90)	17.74

### 37. Business acquisition

On December 23, 2020, the Group through its wholly owned subsidiary, Tata Communications International Pte Limited acquired a stake of 58.10% in OASIS Smart SIM Europe SAS (OASIS) for a cash consideration of ₹ 32.88 crores. Consequently, Oasis became a subsidiary and has been consolidated from the date of acquisition of controlling interest.

The following table summarised the consideration paid and the fair values of the assets acquired and liabilities assumed as at the acquisition date

(₹ in crores)

Identifiable intangible assets	30.32
Right of Use Assets	5.23
Property, plant and equipments	0.43
Cash and cash equivalents	31.30
Trade receivables	4.06
Other assets	1.88
Lease liabilities	(5.24)
Trade payable	(14.16)
Deferred tax liability	(2.19)
Other liabilities	(10.90)
<b>Net identifiable assets (A)</b>	<b>40.73</b>
Goodwill (B)	15.86
Less: Non-controlling interest (C)	(23.71)
<b>Total consideration (A+B-C)</b>	<b>32.88</b>

Revenue and loss after tax of Oasis post acquisition that is included as part of consolidated financial statements is ₹ 1.21 crores and ₹ 1.41 crores respectively.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 37. Business acquisition (Contd..)

The following table supplements pro-forma results of operations for the years ended March 31, 2021 and March 31, 2020 and giving effect to the acquisition, as if it had occurred on April 1, 2019

Particulars	(₹ in crores)	
	year ended 31 March 2021	year ended 31 March 2020
Revenue from Operations	17,102.10	17,075.86
Net Profit/(Loss)	1,252.96	(80.63)

### 38. Employee benefits

#### (A) Indian entities (Defined benefit plan):

##### Retirement Benefits

##### Provident fund:

The Company makes contribution towards provident fund (the 'Fund') under a defined benefit plan for employees which is administered by the Trustees of the Tata Communications Employees' Provident Fund Trust (the 'Trust'). The Company's Indian subsidiaries make contribution towards provident fund under a defined contribution plan for employees which is administered by the Regional Provident Fund Commissioner. Under both the above schemes, each employer is required to contribute a specified percentage of payroll cost to fund the benefits.

The rules of the Fund administered by the Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under the applicable law for the reason that the return on investment is lower or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future. There has also been no such deficiency since the inception of the Fund.

Provident fund contributions amounting to ₹ 60.93 crores (2019-2020: ₹ 55.34 crores) have been charged to the Consolidated Statement of Profit and Loss under Contribution to Provident and other funds in Note 25 "Employee Benefits".

##### Gratuity:

The Company and one of its Indian subsidiaries make annual contributions under the Employee's Gratuity Scheme to a fund administered by trustees of the Tata Communications Employees' Gratuity Fund Trust (the 'Trust') covering all eligible employees. The plan provides for lump sum payments to employees whose right to receive gratuity had vested at the time of resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 day's salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service except in case of death. For other Indian subsidiaries, the gratuity plan is unfunded.

##### Medical benefit:

The Company reimburses domiciliary and hospitalisation expenses not exceeding specified limits incurred by eligible and qualifying employees and their dependent family members under the Tata Communication employee's medical reimbursement scheme.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 38. Employee benefits (Contd..)

#### Pension Plan:

The Company's pension obligations relate to certain employees transferred to the Company from the OCS, an erstwhile department of Ministry of Commerce, Government of India. The Company purchases life annuity policies from an insurance company to settle such pension obligations.

These plans typically expose the Group to actuarial risk such as investment risk, interest rate risk, longevity risk and salary risk:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the plan has a relatively balanced mix of investments in government securities, high quality corporate bonds, equity and other debt instruments.
Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The most recent actuarial valuation of the plan assets and defined benefit obligation has been carried out as at 31 March 21 by an independent Actuary.

The details in respect of the status of funding and the amounts recognised in the Company's consolidated financial statements for the year ended 31 March 2021 and 31 March 2020 for these defined benefit schemes are as under:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>I. Principal actuarial assumptions:</b>		
Discount rate	6.40%	6.60%
Increase in compensation cost	6%	6% to 7%
Health care cost increase rate	7%	7%
Attrition rate	3% to 15%	3% to 15%
Post retirement mortality	Annuitants mort 96-98	Annuitants mort 96-98
Increase in dearness allowance	5%	5%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimates of future compensation cost considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 38. Employee benefits (Contd..)

(₹ in crores)

Particulars	Gratuity		Medical benefits (unfunded)		Pension Plan (unfunded)	
	As at 31 March		As at 31 March		As at 31 March	
	2021	2020	2021	2020	2021	2020
<b>II Change in the defined benefit obligation</b>						
Obligation at the beginning of the period	163.20	138.69	137.37	122.26	31.15	27.06
Current service cost	15.88	12.23	0.78	0.67	-	-
Past service plan amendment	-	-	-	-	-	-
Interest cost	10.31	9.57	8.66	8.37	1.99	1.70
Obligation transferred from / (to) other companies	(0.43)	0.53	-	-	-	-
Actuarial (gains)/ losses - experience	(1.17)	10.04	14.83	11.51	(8.77)	7.67
Actuarial (gains)/ losses - Financial assumptions	(6.42)	7.80	3.36	9.88	0.55	2.32
Benefit Paid	(13.77)	(15.66)	(12.29)	(15.32)	(1.99)	(7.60)
<b>Closing defined benefit obligation</b>	<b>167.60</b>	<b>163.20</b>	<b>152.71</b>	<b>137.37</b>	<b>22.93</b>	<b>31.15</b>
<b>III Change in fair value of Assets</b>						
Opening fair value of plan assets	134.20	126.05	-	-	-	-
Interest income on plan assets	9.71	9.15	-	-	-	-
Employer's contribution	29.12	13.35	-	-	-	-
Transfer (to)/from other company	0.20	0.60	-	-	-	-
Return on plan assets greater/(lesser) than discount rate	4.47	0.37	-	-	-	-
Benefits paid	(3.51)	(15.32)	-	-	-	-
<b>Closing fair value of plan assets</b>	<b>174.19</b>	<b>134.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IV Amount recognized in accumulated OCI</b>						
Cumulative actuarial (gain) or loss recognised via OCI at prior period end	5.06	(12.41)	67.06	45.67	34.29	24.30
Actuarial (gains)/losses recognised in OCI during the year	(12.06)	17.47	18.19	21.39	(8.22)	9.99
<b>Cumulative actuarial (gain) or loss recognised via OCI period end</b>	<b>(7.00)</b>	<b>5.06</b>	<b>85.25</b>	<b>67.06</b>	<b>26.07</b>	<b>34.29</b>
<b>V Amount recognized in the consolidated balance sheet</b>						
Present value of obligations	167.60	163.20	152.71	137.37	22.93	31.15
Fair value of plan assets at the end of period	(174.19)	(134.20)	-	-	-	-
<b>Net (asset)/liability in the consolidated balance sheet*</b>	<b>(6.59)</b>	<b>29.00</b>	<b>152.71</b>	<b>137.37</b>	<b>22.93</b>	<b>31.15</b>
Non-current provisions (refer note 21A)	-	29.00	152.71	137.37	22.93	31.15

\*Assets relating to Gratuity has been disclosed under Other Assets (Current)

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 38. Employee benefits (Contd..)

(₹ in crores)

Particulars	Gratuity		Medical benefits (unfunded)		Pension Plan (unfunded)	
	Year ended 31 March		Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020	2021	2020
<b>VI Expenses recognised in the consolidated statement of Profit or Loss</b>						
Current service cost (note 25)	15.88	12.23	0.78	0.67	-	-
Past service cost - plan amendments (note 25)	-	-	-	-	-	-
Net interest cost (note 27)	0.60	0.42	8.66	8.37	1.99	1.70
<b>Components of defined benefit costs recognized in the consolidated statement of Profit or Loss</b>	<b>16.48</b>	<b>12.65</b>	<b>9.44</b>	<b>9.04</b>	<b>1.99</b>	<b>1.70</b>
<b>VII Expenses recognised in the consolidated statement of OCI</b>						
Actuarial (gain)/loss due to DBO experience	(1.17)	10.04	14.83	11.51	(8.77)	7.67
Actuarial (gain)/loss due to DBO assumption changes	(6.42)	7.80	3.36	9.88	0.55	2.32
Return on plan assets (greater)/less than discount rate	(4.47)	(0.37)	-	-	-	-
<b>Actuarial (gains)/ losses recognized in OCI</b>	<b>(12.06)</b>	<b>17.47</b>	<b>18.19</b>	<b>21.39</b>	<b>(8.22)</b>	<b>9.99</b>

Particulars	Gratuity	
	As at 31 March	
	2021	2020
<b>VIII Categories of plan assets as a percentage of total plan assets</b>		
Govt. of India Securities (Central and state)	42.36%	30.39%
High quality corporate bonds (including Public Sector Bond)	34.60%	50.36%
Equity shares of listed companies	11.09%	10.10%
Cash (including Special Deposits)	6.22%	6.25%
Others	5.73%	2.90%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets. This policy has been implemented during the current and prior years.

The Group's policy and objective for plan assets management is to maximize return on plan assets to meet future benefit payment requirements while at the same time accepting a low level of risk. The asset allocation for plan assets is determined based on the investment criteria approved under the Income Tax Act, 1961 and is also subject to other exposure limitations.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 38. Employee benefits (Contd..)

**IX** A quantitative sensitivity analysis for significant assumption as at 31 March 2021 and 31 March 2020 is as shown below: (As per actuarial valuation report). The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in crores)

Particulars	Gratuity		Medical benefits (unfunded)		Pension plan (unfunded)	
	As at 31 March		As at 31 March		As at 31 March	
	2021	2020	2021	2020	2021	2020
<b>Discount rate</b>						
Increase (1%)	(10.81)	(10.93)	(15.56)	(13.74)	(2.61)	(3.25)
Decrease (1%)	12.45	12.46	18.96	16.72	3.01	3.75
<b>Salary escalation rate</b>						
Increase (1%)	9.40	8.93	-	-	-	-
Decrease (1%)	(8.66)	(8.46)	-	-	-	-
<b>Attrition Rate</b>						
Increase (5%)	2.91	1.56	(5.52)	(5.45)	-	-
Decrease (5%)	(4.29)	(2.45)	4.57	4.58	-	-
<b>Post Retirement Mortality</b>						
Increase (3 years)	-	-	(15.67)	(13.93)	(5.64)	(6.36)
Decrease (3 years)	-	-	16.31	14.45	6.40	7.18
<b>Increase in dearness allowance</b>						
Increase (1%)	-	-	-	-	7.45	9.07
Decrease (1%)	-	-	-	-	(6.78)	(8.23)
<b>Healthcare cost increase rate</b>						
Increase (1%)	-	-	13.51	11.79	-	-
Decrease (1%)	-	-	(11.20)	(9.77)	-	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 38. Employee benefits (Contd..)

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(₹ in crores)

Particulars	Gratuity	Medical benefits (unfunded)	Pension plan (unfunded)
	As at 31 March 2021	As at 31 March 2021	As at 31 March 2021
<b>X Maturity Profile</b>			
<b>Expected benefit payments for the year ending</b>			
31 March 2022	18.83	9.91	2.80
31 March 2023	19.47	10.14	2.94
31 March 2024	18.74	10.32	3.09
31 March 2025	19.89	10.53	3.24
31 March 2026	21.95	10.75	3.40
31 March 2027 to 31 March 2031	116.55	55.79	19.75
<b>Total expected payments</b>	<b>215.43</b>	<b>107.44</b>	<b>35.22</b>

#### Leave plan and Compensated absences

##### For executives

Leaves unavailed by eligible employees may be carried forward upto 60 days and for employees who have joined post 1 January 2020 carry forward shall be restricted to 45 days. Encashment will be maximum of 30 days by them / their nominees in the event of death or permanent disablement or resignation.

During the previous year, leave unavailed by eligible employees may be carried forward / encashed by them / their nominees in the event of death or permanent disablement or resignation was subject to a maximum leave of 60 days and 45 days for employees who have joined post 1 January 2020.

##### For non-executives

Leave unavailed of by eligible employees may be carried forward / encashed by them / their nominees in the event of death or permanent disablement or resignation, subject to a maximum leave of 300 days.

The total liability for compensated absences as at the year-end is ₹ 82.16 crores (31 March 2020: ₹ 77.45 crores), liability shown under non-current provisions ₹ 45.93 crores (31 March 2020: ₹ 64.45 crores) and current provisions ₹ 36.23 crores (31 March 2020: ₹ 13.01 crores). The amount charged to the Consolidated Statement of Profit and Loss under salaries and related costs in note 25 "Employee benefits" is ₹ 12.65 crores (2019- 2020: ₹ (22.26) crores).

#### (B) Foreign entities:

##### i. Defined Contribution Plan

The Group makes contribution to defined contribution retirement benefit plans under the provisions of section 401(k) of the Internal Revenue Code for USA employees, a Registered Retirement Savings Plan ("RRSP") for Canadian employees and a Group Stakeholder Pension plan ("GSPP") for UK employees and other plan

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 38. Employee benefits (Contd..)

in other countries. An amount of ₹ 38.19 crores (2019- 2020: ₹ 45.09 crores) is charged to Consolidated Statement of Profit and Loss under Contribution to Provident and other funds in Note 25 "Employee Benefits".

#### ii. Defined Benefit Pension Plans

##### Pension Plan:

The Group has both a contributory and non-contributory defined benefit pension plans covering certain of its employees in Canada. The Group also has an unfunded Supplemental Employee Retirement Plan ("SERP") covering certain senior executives in Canada. The plan provides for defined benefit based on years of service and final average salary.

##### Health and Life insurance:

The Group also assumed a post-retirement health care and life insurance plan.

The defined benefit plan in Canada expose the Group to different risks such as:

Investment Risk	The financial situation of the plan is calculated using a prescribed discount rate. If the return on assets is lower than the discount rate, it will create a deficit.
Interest rate risk	A variation in bond rates will affect the value of the defined benefit obligation and of the assets.
Longevity risk	A greater increase in life expectancy than the one predicted by the mortality table used will increase the defined benefit obligation.
Inflation risk	The defined benefit obligation is calculated taking into account an increase in the level of salary and cost of living adjustment. If actual inflation is greater than expected, that would result in an increase in the defined benefit obligation.
Health care cost trend risk	The defined benefit obligation of the Post-Retirement Benefits (Other than Pension) is calculated taking into account a health care cost trend rate. If the trend is greater than expected, that would result in an increase in the defined benefit obligation for the plan.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit obligation in Canada were carried out as at March 31, 2021 by an independent technical expert in Canada. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method.

The details in respect of status of funding and the amounts recognised in the consolidated financial statement as for the year ended 31 March 2021 and 31 March 2020 for these defined benefit schemes are as under:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>I. Principal actuarial assumptions:</b>		
Discount rate used for benefit costs	3.70%	3.30%
Discount rate used for benefit obligations	3.15%	3.70%
Inflation	2.00%	2.00%
Rate of compensation increase	3.00%	3.00%
Health Care Cost Trend Rate - Prescription Drugs	4.50% to 7.00%	4.50% to 7.25%

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 38. Employee benefits (Contd..)

Particulars	As at 31 March 2021	As at 31 March 2020
Health Care Cost Trend Rate - Other Medical	3.00%	3.00%
Asset valuation method	Market Value	Market Value
Mortality Table	CPM Private Sector Mortality Table with generational improvements with scale MI -2017	CPM Private Sector Mortality Table with generational improvements with scale MI-2017

(₹ in crores)

Particulars	Pension Plans				Health care and life insurance plans	
	Contributory		SERP		As at 31 March	
	As at 31 March 2021	2020	As at 31 March 2021	2020	2021	2020
<b>II Change in the defined benefit obligation</b>						
Projected defined benefit obligation, beginning of the year	1,043.79	1099.78	0.50	0.62	0.83	1.19
Current service cost	-	-	0.03	0.04	-	-
Interest cost	39.75	36.47	0.02	0.02	0.03	0.03
Benefits paid	(63.75)	(66.39)	-	-	(0.27)	(0.42)
Actuarial (gains)/ losses_ Demographic assumptions	-	-	-	-	-	-
Actuarial (gains)/ losses Financial assumptions	72.03	(52.18)	0.03	(0.03)	0.01	(0.01)
Experience (gain)/loss	(17.31)	(6.54)	(0.18)	(0.17)	-	-
Impact of Minimum Funding requirement	-	-	-	-	-	-
Effect of foreign currency rate changes*	98.77	32.65	0.04	0.02	0.06	0.04
<b>Projected benefit obligation at the end of the year</b>	<b>1,173.28</b>	<b>1,043.79</b>	<b>0.44</b>	<b>0.50</b>	<b>0.66</b>	<b>0.83</b>

\*Translation adjustment loss/(gain) includes (gain) of ₹ (35.09) crores (2019-2020: loss of ₹ 89.91 crores) which has been taken to foreign currency translation reserve and loss/(gain) of ₹ 133.96 crores (2019- 2020: gain of ₹ (57.20) crores) which has been taken to Other Comprehensive Income



## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 38. Employee benefits (Contd..)

(₹ in crores)

Particulars	Pension Plans	
	Contributory	
	As at 31 March	
	2021	2020
<b>III Change in Fair value of assets</b>		
Fair value of plan assets, beginning of the year	1,043.79	1,099.78
Actual return on plan assets	39.74	36.47
Contributions	0.16	0.60
Benefits paid	(63.75)	(66.39)
Actuarial gain / (loss)	59.45	2.37
Admin cost	(0.37)	-
Impact of asset ceiling	(4.51)	(61.69)
Effect of foreign currency rate changes*	98.78	32.65
<b>Fair value of plan assets, end of the year</b>	<b>1,173.28</b>	<b>1,043.79</b>

\*Translation adjustment gain/ (loss) includes gain of ₹ (35.03) crores (2019-2020: gain of ₹ 89.77 crores) which has been taken to Foreign currency translation reserve and gain/(loss) of ₹ 133.81 crores (2019- 2020: gain/(loss) of ₹ (57.12) crores) taken to Other Comprehensive Income

(₹ in crores)

Particulars	Pension Plans				Health care and life insurance plans	
	Contributory		SERP		As at 31 March	
	As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March
	2021	2020	2021	2020	2021	2020
<b>IV Amount recognised in accumulated Other Comprehensive Income</b>						
Opening Balance	(62.82)	(63.43)	(2.33)	(2.10)	0.51	0.57
Expenses as per table VII below	(0.22)	0.61	(0.09)	(0.23)	0.09	(0.06)
<b>Closing balance</b>	<b>(63.04)</b>	<b>(62.82)</b>	<b>(2.42)</b>	<b>(2.33)</b>	<b>0.60</b>	<b>0.51</b>
<b>V Amount recognised in the consolidated balance sheet</b>						
Present value of obligations	1,173.28	1,043.79	0.44	0.50	0.66	0.83
Fair value of plan assets	(1,173.28)	(1,043.79)	-	-	-	-
<b>Net (asset)/ liability in the consolidated balance sheet</b>	<b>-</b>	<b>-</b>	<b>0.44</b>	<b>0.50</b>	<b>0.66</b>	<b>0.83</b>
Non-current provisions (refer note 21 A)	-	-	0.44	0.50	0.66	0.83

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 38. Employee benefits (Contd..)

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>VI Pension expenses recognized in the Consolidated Statement of Profit or Loss</b>		
Current service cost (refer note 25)	0.40	0.04
Net interest cost (refer note 27)	0.03	0.04
<b>Components of defined benefit costs recognised in the consolidated statement of Profit or Loss</b>	<b>0.43</b>	<b>0.08</b>

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>VII Pension expenses recognised in the Other Comprehensive Income</b>		
Net Actuarial (gains)/losses recognised_Demographic assumptions	-	-
Net Actuarial (gains)/losses due to financial assumptions	72.07	(52.22)
Experience (gain)/loss	(17.49)	(6.71)
Actuarial (gain)/loss on plan assets	(59.45)	(2.37)
Impact of asset ceiling	4.51	61.69
Effect of Foreign exchange rate changes (Net)	0.15	(0.07)
<b>Expense recognized in the Other Comprehensive Income</b>	<b>(0.21)</b>	<b>0.32</b>

Particulars	As at 31 March 2021	As at 31 March 2020
<b>VIII Categories of plan assets as a percentage of total plan assets</b>		
Global Equities	7.00%	7.00%
Real Return bonds	88.00%	91.00%
Money market securities	5.00 %	2.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

IX A quantitative sensitivity analysis for significant assumption as at 31 March 2021 and 31 March 2020 is as shown below: (As per actuarial valuation report). The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Discount rate</b>		
Increase of 1%	(129.49)	(114.64)
Decrease of 1%	158.49	139.20
<b>Inflation rate</b>		
Increase of 1%	146.18	125.23
Decrease of 1%	(122.75)	(105.92)

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 38. Employee benefits (Contd..)

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Future salary increases</b>		
Increase of 1%	5.70	5.69
Decrease of 1%	(5.32)	(5.81)
<b>Post retirement Mortality</b>		
Increase (1 year)	53.12	47.24
Decrease (1 year)	(52.59)	(46.76)
<b>Medical Trend rate</b>		
Increase of 1%	0.03	0.02
Decrease of 1%	(0.03)	(0.02)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Group expects to contribute ₹ 11.57 crores (31 March 2020: ₹ 13.79) to its defined benefit plans in financial year 2021-22.

(₹ in crores)

Particulars	As at 31 March 2021
<b>X Maturity profile</b>	
<b>Expected benefit payments for the year ending</b>	
31 March 2022	64.07
31 March 2023	64.63
31 March 2024	64.61
31 March 2025	64.55
31 March 2026	64.51
31 March 2027 to 31 March 2031	316.14
<b>Total</b>	<b>638.51</b>

### iii. Leave plan and Compensated absences

The liability for compensated absences as at the year end is ₹ 36.72 crores (31 March 2020: ₹ 38.85 crores) as shown under current provisions. The amount charged to the Consolidated Statement of Profit and Loss under salaries and related costs in note 25 "Employee benefits" is ₹ 13.60 crores (2019-2020: ₹ 3.23 crores).

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 39. Earnings per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>a. Basic and diluted EPS</b>		
Net Profit(loss) for the year attributable to the equity shareholders (in ₹ crores) (A)	1,250.63	(85.96)
Weighted average number of equity shares outstanding during the year (Nos) (B)	285,000,000	285,000,000
Basic and diluted earnings per share (₹) (A/B)	43.88	(3.02)
Face value per share (₹)	10.00	10.00

### 40. Segment reporting

#### i. Business segments

The Board of Directors and the Managing Director of the Company together as a Group constitute the "Chief Operating Decision Makers" (CODM) and allocate resources to and assess the performance of the segments of the Group.

The Group has identified the following operating segments based on the organizational structure and for which discrete financial information including segment results is available:

- Voice Solutions (VS) includes International and National Long-Distance Voice services.
- Data and Managed Services (DMS) include data transmission services, signaling, roaming services, television and other network and managed services.
- Payment Solutions (PS) includes end-to-end ATM deployment end-to-end POS enablement hosted core banking end to end financial inclusion and card issuance and related managed services and switching services to banking sector carried out by Company's wholly owned subsidiary Tata Communications Payment Solutions Limited.
- Real Estate segment includes lease rentals for premises given on lease and does not include premises held for capital appreciation.

(₹ in crores)

Particulars	For the year ended 31 March 2021					Total
	VS	DMS	PS	Real Estate	Intersegment	
<b>a. Segment revenues and results</b>						
Revenue from services	2,790.77	13,931.29	215.37	179.67	(17.00)	17,100.10
Intersegment revenue		(3.78)		(13.22)	17.00	-
Segment results	136.47	1,806.89	(107.58)	110.93	-	1,946.71
Finance cost	-	-	-	-	-	420.20
Unallocable income (net)	-	-	-	-	-	(82.04)
<b>Profit from operations before tax and share of profit of associate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,608.55</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 40. Segment reporting (Contd..)

(₹ in crores)

Particulars	For the year ended 31 March 2021					
	VS	DMS	PS	Real Estate	Intersegment	Total
Tax expense (net)	-	-	-	-	-	354.89
<b>Net Profit for the year before share in profit of associates</b>	-	-	-	-	-	<b>1,253.66</b>
Share in profit/(loss) of associates (net)	-	-	-	-	-	(2.14)
<b>Net Profit from total operation</b>	-	-	-	-	-	<b>1,251.52</b>
<b>b. Segment assets and liabilities</b>						
Segment assets	397.46	14,333.89	299.58	404.80	-	15,435.73
Unallocable assets	-	-	-	-	-	5,897.68
<b>Total assets</b>	-	-	-	-	-	<b>21,333.41</b>
Segment liabilities	(622.07)	(9,219.51)	(217.64)	(79.68)	-	(10,138.90)
Unallocable liabilities	-	-	-	-	-	(11,050.88)
<b>Total liabilities</b>	-	-	-	-	-	<b>21,189.78</b>
<b>c. Other segment information</b>						
Non-cash expenses	2.05	81.77	(1.43)	0.34	-	82.73
Capital expenditure (allocable)	17.96	1,172.76	63.89	-	-	1,254.61
Depreciation and amortisation (allocable)	35.85	2,167.16	106.17	4.69	-	2,313.87

(₹ in crores)

Particulars	For the year ended 31 March 2020					
	VS	DMS	PS	Real Estate	Intersegment	Total
<b>a. Segment revenues and results</b>						
Revenue from services	3,376.22	13,192.48	343.41	179.06	(23.18)	17,067.99
Intersegment revenue	-	(5.13)	-	(18.05)	23.18	-
Segment results	233.12	651.61	(62.88)	109.38	-	931.23
Finance cost	-	-	-	-	-	470.74
Unallocable income (net)	-	-	-	-	-	320.83
<b>Profit from operations before tax and share of profit of associate</b>	-	-	-	-	-	<b>139.66</b>
Tax expense (net)	-	-	-	-	-	226.67
<b>Net Profit for the year before share in profit of associates</b>	-	-	-	-	-	<b>(87.01)</b>
Share in profit of associates (net)	-	-	-	-	-	2.18

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 40. Segment reporting (Contd..)

(₹ in crores)

Particulars	For the year ended 31 March 2020					
	VS	DMS	PS	Real Estate	Intersegment	Total
<b>Net Loss from total operation</b>	-	-	-	-	-	<b>(84.83)</b>
<b>b. Segment assets and liabilities</b>						
Segment assets	453.04	15,881.36	394.22	465.86	-	17,194.48
Unallocable assets	-	-	-	-	-	4,966.99
<b>Total assets</b>	-	-	-	-	-	<b>22,161.47</b>
Segment liabilities	(753.54)	(10,332.12)	(249.23)	(100.00)	-	(11,434.89)
Unallocable liabilities	-	-	-	-	-	(12,000.19)
<b>Total liabilities</b>	-	-	-	-	-	<b>(23,435.08)</b>
<b>c. Other segment information</b>						
Non-cash expenses	2.36	92.17	3.75	0.30	-	98.58
Capital expenditure (allocable)	33.16	2,071.73	103.75	-	-	2,208.64
Depreciation and amortisation (allocable)	30.28	2,184.44	138.30	4.70	-	2,357.72

- Revenues and network and transmission costs are directly attributable to the segments. Network and transmission costs are allocated based on utilization of network capacity. License fees for VS and DMS have been allocated based on adjusted gross revenues from these services.
- Depreciation and certain other costs have been allocated to the segments during the current year based on various allocation parameters. Segment result is segment revenues less segment expenses. Other income and exceptional items have been considered as "Unallocable".
- Further assets and liabilities including fixed assets have been allocated to segments on similar basis of related revenue and expense.
- Intersegment sales revenues are generally made at values that approximate arm's length prices.

### ii. Geographical information

The Group's revenue from continuing operations from external customers by location of operation and information about its Non-current assets by location of assets are detailed below:

(₹ in crores)

Particulars	Revenue		Non-current assets*		Capital expenditure**	
	For the year ended 31 March		As at 31 March		For the year ended 31 March	
	2021	2020	2021	2020	2021	2020
India	6,999.58	6,730.22	5,605.49	5,800.60	877.79	1,602.97
United States of America	2,707.48	2,707.43	1,073.14	1,297.22	118.72	169.16
United Kingdom	1,138.21	1,206.39	587.38	657.93	71.57	209.41
Bermuda	72.39	162.91	3,018.88	3,408.80	22.35	25.04

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 40. Segment reporting (Contd..)

(₹ in crores)

Particulars	Revenue		Non-current assets*		Capital expenditure**	
	For the year ended 31 March		As at 31 March		For the year ended 31 March	
	2021	2020	2021	2020	2021	2020
Singapore	786.04	829.97	407.77	474.09	19.59	42.60
Others	5,396.40	5,431.07	1,209.54	1,386.56	144.59	159.46
<b>Total</b>	<b>17,100.10</b>	<b>17,067.99</b>	<b>11,902.20</b>	<b>13,025.20</b>	<b>1,254.61</b>	<b>2,208.64</b>

\*Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Non-current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, Right of use assets, investment property, investment property under development, other intangible assets and intangible assets under development.

\*\* Capital expenditure includes ₹ 95.16 crores (March 2020 : ₹ 699.55 crores) towards Right of Use Assets (Refer 47(A)(a))

The Group does not earn revenues from any single customer exceeding 10% of the of the Group's total revenue.

### iii. Revenue from major services in the Group's Continuing Operations:

#### a. Revenue from major services in Voice services

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
International Long Distance (ILD)	2,756.47	3,316.20
National Long Distance (NLD)	34.30	60.02
<b>Total</b>	<b>2,790.77</b>	<b>3,376.22</b>

#### b. Revenue from major services in Data and Managed Services

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Global Virtual Private Network (GVPN)	2,173.01	2,165.42
Internet connectivity	2,607.26	2,330.39
Ethernet	1,275.78	1,255.36
Unified Communications and Collaboration (UCC)	1,570.70	1,370.27
IPL Lease	1,102.15	1,032.06
Others	5,202.39	5,033.85
<b>Total</b>	<b>13,931.29</b>	<b>13,187.35</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 41. Particulars of subsidiaries and associates considered in the preparation of the consolidated financial statements:

Particulars	Principal Activity	Country of Incorporation	As at 31 March 2021	As at 31 March 2020
<b>a. Subsidiaries (held directly)</b>				
Tata Communications Transformation Services Limited	Telecommunication services	India	100.00	100.00
Tata Communications Collaboration Services Private Limited	Telecommunication services	India	100.00	100.00
Tata Communications Payment Solutions Limited	Infrastructure managed service of banking sector	India	100.00	100.00
Tata Communications Lanka Limited	Telecommunication services	Sri Lanka	90.00	90.00
Tata Communications International Pte. Limited	Telecommunication services	Singapore	100.00	100.00
TC IOT Managed Solutions Limited (applied for strike off on 29 November 2019)	Telecommunication services	India	100.00	100.00
<b>b. Subsidiaries (held indirectly)</b>				
Tata Communications (Bermuda) Limited	Telecommunication services	Bermuda	100.00	100.00
Tata Communications (Netherlands) BV	Telecommunication services	Netherlands	100.00	100.00
Tata Communications (Hong Kong) Limited	Telecommunication services	Hong Kong	100.00	100.00
ITXC IP Holdings S.A.R.L.	Telecommunication services	Luxembourg	100.00	100.00
Tata Communications (America) Inc.	Telecommunication services	United States of America	100.00	100.00
Tata Communications Services (International) Pte Limited	Telecommunication services	Singapore	100.00	100.00
Tata Communications (Canada) Limited	Telecommunication services	Canada	100.00	100.00
Tata Communications (Belgium) S.P.R.L.	Telecommunication services	Belgium	100.00	100.00
Tata Communications (Italy) SRL	Telecommunication services	Italy	100.00	100.00
Tata Communications (Portugal) Unipessoal LDA	Telecommunication services	Portugal	100.00	100.00
Tata Communications (France) SAS	Telecommunication services	France	100.00	100.00
Tata Communications (Nordic) AS	Telecommunication services	Norway	100.00	100.00
Tata Communications (Guam) L.L.C.	Telecommunication services	Guam	100.00	100.00

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 41. Particulars of subsidiaries and associates considered in the preparation of the consolidated financial statements: (Contd..)

Particulars	Principal Activity	Country of Incorporation	As at 31 March 2021	As at 31 March 2020
Tata Communications (Portugal) Instalacao E Manutencao De Redes LDA	Telecommunication services	Portugal	100.00	100.00
Tata Communications (Australia) Pty Limited	Telecommunication services	Australia	100.00	100.00
TATA COMMUNICATIONS SVCS PTE LTD (prior to redomiciliation to Sinagpore, name of entity was Tata Communications Services (Bermuda) Limited)	Telecommunication services	Bermuda	100.00	100.00
Tata Communications (Poland) SP.Z.O.O	Telecommunication services	Poland	100.00	100.00
Tata Communications (Japan) K.K.	Telecommunication services	Japan	100.00	100.00
Tata Communications (UK) Limited	Telecommunication services	United Kingdom	100.00	100.00
Tata Communications Deutschland GMBH	Telecommunication services	Germany	100.00	100.00
Tata Communications (Middle East) FZ-LLC	Telecommunication services	United Arab Emirates	100.00	100.00
Tata Communications (Hungary) KFT	Telecommunication services	Hungary	100.00	100.00
Tata Communications (Ireland) DAC	Telecommunication services	Ireland	100.00	100.00
Tata Communications (Russia) LLC	Telecommunication services	Russia	99.90	99.90
Tata Communications (Switzerland) GmbH	Telecommunication services	Switzerland	100.00	100.00
Tata Communications (Sweden) AB	Telecommunication services	Sweden	100.00	100.00
TCPOP Communication GmbH	Telecommunication services	Austria	100.00	100.00
Tata Communications (Taiwan) Limited	Telecommunication services	Taiwan	100.00	100.00
Tata Communications (Thailand) Limited	Telecommunication services	Thailand	100.00	100.00
Tata Communications (Malaysia) Sdn. Bhd.	Telecommunication services	Malaysia	100.00	100.00
Tata Communications (New Zealand) Limited	Telecommunication services	New Zealand	100.00	100.00
Tata Communications (Spain) S.L	Telecommunication services	Spain	100.00	100.00
Tata Communications (Beijing) Technology Limited	Telecommunication services	China	100.00	100.00

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 41. Particulars of subsidiaries and associates considered in the preparation of the consolidated financial statements: (Contd..)

Particulars	Principal Activity	Country of Incorporation	As at 31 March 2021	As at 31 March 2020
SEPCO Communications (Pty) Limited (SEPCO)	Telecommunication services	South Africa	73.17	73.17
VSNL SNOSPV Pte. Limited (SNOSPV)	Telecommunication services	Singapore	100.00	100.00
Tata Communications (South Korea) Limited	Telecommunication services	South Korea	100.00	100.00
Tata Communications Transformation Services (Hungary) Kft.	Telecommunication services	Hungary	100.00	100.00
Tata Communications Transformation Services Pte Limited	Telecommunication services	Singapore	100.00	100.00
Tata Communications Comunicações E Multimídia (Brazil) Limitada	Telecommunication services	Brazil	100.00	100.00
Tata Communications Transformation Services South Africa (Pty) Ltd	Telecommunication services	South Africa	100.00	100.00
Tata Communications Transformation Services (US) Inc	Telecommunication services	United States of America	100.00	100.00
Nexus Connexion (SA) Pty Limited	Telecommunication services	South Africa	100.00	100.00
Tata Communications (Brazil) Participacoes Limitada	Telecommunication services	Brazil	100.00	100.00
Tata Communications MOVE B.V.(Earlier known as Teleena Holding B.V. )	Telecommunication services	Netherlands	100.00	100.00
Tata Communications MOVE Nederland B.V. (Earlier known as Teleena Nederland B.V.)	Telecommunication services	Netherlands	100.00	100.00
Tata Communications MOVE UK Limited (Earlier known as Teleena UK Limited)	Telecommunication services	United Kingdom	100.00	100.00
Tata Communications MOVE Singapore Pte. Ltd. (Earlier known as Teleena Singapore Pte. Ltd. ) (striked off on 4 January 2021)	Telecommunication services	Singapore	-	100.00
MuCoso B.V.	Telecommunication services	Netherlands	100.00	100.00
NetFoundry Inc. (w.e.f. 21 February,2019)	Telecommunication services	United States of America	100.00	100.00
TCTS Senegal Limited	Telecommunication services	Senegal	100.00	100.00

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 41. Particulars of subsidiaries and associates considered in the preparation of the consolidated financial statements: (Contd..)

Particulars	Principal Activity	Country of Incorporation	As at 31 March 2021	As at 31 March 2020
OASIS Smart SIM Europe SAS (w.e.f. 23 December 2020)	Telecommunication services	France	58.10	-
Oasis Smart E-Sim Pte Ltd (w.e.f. 23 December 2020)	Telecommunication services	Singapore	58.10	-
<b>Associates</b>				
United Telecom Limited	Telecommunication services	Nepal	26.66	26.66
STT Global Data Centres India Pvt Ltd.	Data Centre Colocation services	India	26.00	26.00
Smart ICT Services Private Limited	Telecommunication services	India	24.00	24.00

\*Direct and indirect interest

### 42. Derivatives

Derivatives are not designated as hedging instruments:

The Group uses foreign currency forward contracts to manage some of its transaction exposures. The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 1 year. These hedges are also not designated as Cash flow hedge.

#### i. Outstanding forward contracts

##### a. As on 31 March 2021

Particulars	Deal Currency	Amount (Deal Currency in Millions)	Buy/Sell	Amount in ₹ crores	Fair value Gain/(Loss) (₹ in crores)
<b>Forward Exchange Contracts (net)</b>					
USD/AUD	AUD	8.55	Sell	47.40	(0.20)
USD/EUR	EUR	10.00	Sell	87.51	1.63
USD/GBP	GBP	0.35	Sell	3.53	@
USD/JPY	JPY	95.00	Sell	6.44	0.17
USD/SGD	SGD	7.00	Sell	37.85	(0.21)
USD/GBP	GBP	3.15	Sell	31.60	(0.73)
USD/CAD	CAD	2.00	Sell	11.38	(0.34)
EUR/USD	EUR	1.00	Buy	8.65	(0.01)
USD / INR	USD	45.49	Buy	335.80	(0.56)
INR/CAD	CAD	2.10	Sell	12.04	(0.17)
INR / GBP	GBP	1.30	Sell	13.25	0.12
GBP / INR	GBP	0.45	Buy	4.36	0.17

@ represents amount less than ₹ 50,000

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 42. Derivatives (Contd..)

#### b. As on 31 March 2020

Particulars	Deal Currency	Amount (Deal Currency in Millions)	Buy/Sell	Amount (₹ in crores)	Fair value Gain/(Loss) (₹ in crores)
<b>Forward Exchange Contracts (net)</b>					
USD/INR	USD	86.42	Buy	631.64	24.18
GBP/INR	GBP	0.90	Buy	8.48	(0.05)
USD/INR	USD	1.00	Sell	7.56	0.00
CAD/INR	CAD	2.25	Sell	12.23	0.06
GBP/INR	GBP	3.25	Sell	30.64	(0.26)
JPY/USD	JPY	35.00	Sell	2.43	0.02
AUD/USD	AUD	4.00	Sell	20.50	2.06
EUR/USD	EUR	15.50	Sell	130.85	2.24
GBP/USD	GBP	2.30	Sell	21.71	0.45
SGD/USD	SGD	9.00	Sell	49.41	1.92

#### ii. Derivatives designated as hedging instruments

As at	Type of Hedge	No. of contracts	Notional amount Asset/(Liability)	Fair value of Asset/(Liability)
31 March 2021	Interest Rate swap	7	(2,229.86)	(32.64)
31 March 2020	Interest Rate swap	14	(4,037.11)	(78.00)

#### Risk Category

Hedging activities: Derivatives may qualify as hedges for accounting purposes if they meet the criteria for designation as fair value hedges or cash flow hedges in accordance with Ind AS 109.

Cash flow hedges: - Instruments designated in a cash flow hedge include interest rate swaps hedging the variable interest rates primarily related to US\$LIBOR.

All cash flow hedges were effective in the period.

#### Reclassification of OCI balance

The Group carries the changes in fair value of the swap in Other Comprehensive Income until the interest expense is recognized. The portion of fair value change pertaining to the interest expense being recognized is recycled to the profit and loss account in the accounting period in which the interest expense is being recognized.

The figures shown in the tables above take into account interest rate swaps used to manage the interest rate profile of financial liabilities. Interest on floating rate borrowings is generally based on USD LIBOR equivalents.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 42. Derivatives (Contd..)

#### Movement of cash flow hedging reserve

(₹ in crores)

Cash Flow hedging reserve	
<b>As at 1 April 2019</b>	<b>(4.34)</b>
Changes in fair value of Interest rate swaps	(72.86)
Amount reclassified to profit or loss	3.98
Tax impact	17.74
Share in net unrealised gain/(loss) on cash flow hedges in associates	-
<b>As at 31 March 2020 (refer note 16)</b>	<b>(55.48)</b>
Changes in fair value of Interest rate swaps	53.09
Amount reclassified to profit or loss	(9.48)
Tax impact	(10.90)
Share in net unrealised gain/(loss) on cash flow hedges in associates	-
<b>As at 31 March 2021 (refer note 16)</b>	<b>(22.77)</b>

### 43. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(y) to the financial statements.

#### i. Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2021 is as follows:

(₹ in crores)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
<b>Financial assets</b>				
Trade receivables	-		2,607.68	<b>2,607.68</b>
Cash and cash equivalent	-		817.85	<b>817.85</b>
Other bank balances	-		109.25	<b>109.25</b>
Advances to related parties	-		44.70	<b>44.70</b>
Other financial assets	-		190.81	<b>190.81</b>
Investments (non-current)	-	232.24	-	<b>232.24</b>
Investment in mutual funds	1,282.35	-	-	<b>1,282.35</b>
Other current investment	0.08	-	-	<b>0.08</b>
Forward contract not designated in hedge accounting relationship	0.30	-	-	<b>0.30</b>
<b>Total</b>	<b>1,282.73</b>	<b>232.24</b>	<b>3,770.29</b>	<b>5,285.26</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 43. Financial instruments (Contd..)

(₹ in crores)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
<b>Financial liabilities</b>				
Borrowing	-	-	9,958.46	<b>9,958.46</b>
Lease liabilities	-	-	1,435.14	<b>1,435.14</b>
Trade payable	-	-	3,239.47	<b>3,239.47</b>
Creditors for capital goods	-	-	417.53	<b>417.53</b>
Other financial liabilities	-	-	248.44	<b>248.44</b>
Forward contract not designated in hedge accounting relationship	0.43	-	-	<b>0.43</b>
Interest rate swaps designated as hedge accounting relationships	-	32.64	-	<b>32.64</b>
<b>Total</b>	<b>0.43</b>	<b>32.64</b>	<b>15,299.04</b>	<b>15,332.11</b>

The carrying value of financial instruments by categories as at 31 March 2020 is as follows:

(₹ in crores)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
<b>Financial assets</b>				
Trade receivables	-	-	3,228.87	<b>3,228.87</b>
Cash and cash equivalent	-	-	850.00	<b>850.00</b>
Other bank balances	-	-	59.13	<b>59.13</b>
Advances to related parties	-	-	89.20	<b>89.20</b>
Other financial assets	-	-	139.79	<b>139.79</b>
Investments (non-current)	-	214.82	-	<b>214.82</b>
Investment in mutual funds	661.78	-	-	<b>661.78</b>
Forward contract not designated in hedge accounting relationship	30.62	-	-	<b>30.62</b>
<b>Total</b>	<b>692.40</b>	<b>214.82</b>	<b>4,366.90</b>	<b>5,274.21</b>
<b>Financial liabilities</b>				
Borrowing	-	-	10,720.89	<b>10,720.89</b>
Lease liabilities	-	-	1,692.60	<b>1,692.60</b>
Trade payable	-	-	3,844.99	<b>3,844.99</b>
Creditors for capital goods	-	-	379.63	<b>379.63</b>
Other financial liabilities	-	-	540.92	<b>540.92</b>
Interest rate swaps designated as hedge accounting relationships	-	78.00	-	<b>78.00</b>
<b>Total</b>	<b>-</b>	<b>78.00</b>	<b>17,179.03</b>	<b>17,257.03</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 43. Financial instruments (Contd..)

Carrying amount of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2021 and 31 March 2020 approximate the fair value because of their short-term nature. Difference between carrying amount and fair value of other bank balances, other financial assets, other financial liabilities and borrowings subsequently measured at amortized cost is not significant in each of the years presented.

#### ii. Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in crores)

Particulars	Fair value as at		Fair value hierarchy
	31 March 2021	31 March 2020	
<b>Financial assets</b>			
Investment in mutual funds	1,282.35	661.78	Level 1
Investment in Lumen Technologies Inc	0.08		Level 1
Investment in preference shares of Evolv Technology Solutions, Inc	0.39	0.46	Level 3
Investments in Northgate Telecom Innovation Partners L.P.	209.63	191.06	Level 3
Other investments in LLP	16.50	17.41	Level 3
Other investments in equity shares	5.72	5.89	Level 3
Interest rate swaps designated as hedge accounting relationships		-	Level 2
Foreign currency forward contract not designated as hedge accounting relationships	0.30	30.62	Level 2
<b>Financial liabilities</b>			
Interest rate swaps designated as hedge accounting relationships	32.64	78.00	Level 2
Foreign currency forward contract not designated as hedge accounting relationships	0.43	-	Level 2

The investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value

#### iii. The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

(₹ in crores)

Particulars	Evolv Techonology Solutions, Inc- Preference shares	Northgate Telecom Innovation Partners L.P	Other Investments
<b>Balance as at 31st March 2019</b>	0.46	136.16	19.15
Additions during the year	-	33.20	4.74
Add/(Less): Fair value through profit or loss	-	-	-
Add/(Less): Fair value through other comprehensive income	(0.04)	8.89	(1.65)
Add/(Less): foreign currency translation adjustments	0.04	12.81	1.06
<b>Balance as at 31st March 2020</b>	0.46	191.06	23.30
Additions during the year	-	29.24	-

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 43. Financial instruments (Contd..)

(₹ in crores)

Particulars	Evolv Techonology Solutions, Inc- Preference shares	Northgate Telecom Innovation Partners L.P	Other Investments
Add/(Less): Fair value through profit or loss	-	-	-
Add/(Less): Fair value through other comprehensive income	(0.05)	(4.82)	(0.54)
Add/(Less): Conversion of preference shares in to equity shares	-	-	-
Add/(Less): foreign currency translation adjustments	(0.02)	(5.85)	(0.54)
<b>Balance as at 31st March 2021</b>	<b>0.39</b>	<b>209.63</b>	<b>22.22</b>

Except as detailed in the above table, the Group considered that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

### 44. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL & FVTOCI investments and derivative financial instruments.

#### i) Interest rate risk

Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group generally uses generic derivative products (eg. Interest Rate Swap, Coupon Swap,



## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 44. Financial risk management objectives and policies (Contd..)

Interest rate Options etc) to cover interest rate risk on variable rate long term debt obligations. The Group may also enter into structured derivative products unless prohibited by the applicable statute(s).

The Group enters into interest rate derivatives, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2021, after taking into account the effect of interest rate derivatives, approximately 35 % of the Group's borrowings are at a fixed rate of interest (31 March 2020: 54%).

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in crores)		
	Increase/decrease in basis points	Effect on profit before tax
31-Mar-21	100	58.67
31-Mar-20	100	39.24

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

#### ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign currency rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group's objective is to try and protect the underlying values of the functional currency of respective Group company's balance sheet exposures. All exposures in currency other than functional currency are treated as 'Forex Exposures' irrespective of the Group company from where the exposures originate. Exposures are broadly categorized into receivables and payable exposures.

The Group manages its foreign currency risk by entering into derivatives on Net Exposures, i.e. netting off the receivable and payable exposures in order to take full benefit of Natural Hedge.

Non-crystallized (not in books) exposures for which cash flows are highly probable are considered for hedging after due consideration of cost of cover, impact of such derivatives on Income statement due to mark to market loss or gains, market / industry practices, Regulatory restrictions etc.

As regards net investments in foreign operations, hedging decisions are guided by regulatory requirement, accounting practices and in consultation & approval of Senior Management on such hedging action.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the respective Group entity.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 44. Financial risk management objectives and policies (Contd..)

The following analysis has been worked out based on the net exposures of the respective Group entity as of the date of balance sheet which would affect the Consolidated Statement of Profit and Loss and equity.

The following tables sets forth information relating to foreign currency exposure (net) as at 31 March 2021 and 31 March 2020

Particulars	As at 31 March 2021		As at 31 March 2020	
	Financial liabilities	Financial assets	Financial liabilities	Financial assets
<b>Currency</b>				
GBP	352.87	0.73	340.65	-
USD	353.08	64.17	234.50	22.03
SGD	146.84	-	169.82	-
EUR	146.03	-	167.92	4.90
JPY	64.14	-	121.92	-
HKD	38.12	-	27.85	-
AED	7.17	0.02	7.90	-
Others	170.43	20.31	102.90	36.96

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the respective Group entity would result in decrease/ increase in the Group's profit before tax by approximately ₹ 59.67 crores and ₹ 55.47 crores for the year ended 31 March 2021 and 31 March 2020 respectively.

#### iii) Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment in securities.

At the reporting date, the exposure to unlisted securities at fair value was ₹ 232.24 crores as on 31 March 2021 (31 March 2020: ₹ 214.82 crores).

#### b) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, foreign currency transactions and other financial instruments.

The Group uses a practical expedient in computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into consideration the historical credit loss experience and the adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 44. Financial risk management objectives and policies (Contd..)

#### Ageing of receivables

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Within Credit period	1,356.19	1,657.15
0-90 days	899.82	1,218.63
91-180 days	169.59	215.51
181-360 days	182.52	(72.37)
>360 days	(0.44)	209.95
<b>Total</b>	<b>2,607.68</b>	<b>3,228.87</b>

#### Movement in expected credit loss allowance

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balance</b>	<b>572.46</b>	<b>492.22</b>
Adjustment for Acquisition (OASIS)	3.07	-
Movement in expected credit loss allowance on trade receivables circulated at lifetime expected credit losses for Continuing Operations	20.02	64.90
Impact of foreign exchange translation	(6.55)	15.34
<b>Balance at the end of the year</b>	<b>589.00</b>	<b>572.46</b>

#### c) Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts.

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group corporate treasury department is responsible for maintaining funding limits to ensure liquidity.

The table below summarizes the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

(₹ in crores)

As at 31 March 2021	On demand	Upto 12 months	1 to 5 years	> 5 years	Total
Borrowings	136.20	778.55	8,421.96	487.40	9,824.11
Derivatives at FVPTL	-	0.43	-	-	0.43
Derivatives at FVTOCI	-	28.83	3.81	-	32.64
Trade Payable	1,511.32	1,728.15	-	-	3,239.47
Other financial liability	223.46	601.52	9.49	-	834.47
<b>Total</b>	<b>1,870.98</b>	<b>3,137.48</b>	<b>8,435.26</b>	<b>487.40</b>	<b>13,931.12</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 44. Financial risk management objectives and policies (Contd..)

(₹ in crores)

As at 31 March 2020	On demand	Upto 12 months	1 to 5 years	> 5 years	Total
Borrowings	352.67	1,935.80	6,806.76	-	9,095.23
Derivatives at FVTOCI	-	44.57	33.43	-	78.00
Trade Payable	1,775.33	2,069.66	-	-	3,844.99
Other financial liability	763.87	1,801.77	4.50	-	2,570.14
<b>Total</b>	<b>2,891.87</b>	<b>5,851.80</b>	<b>6,844.69</b>	<b>-</b>	<b>15,588.36</b>

### 45. Capital Management

The objective of the Group's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The Group is not subject to any externally imposed capital requirements.

### 46. Related party transactions

#### i. Names of related parties and nature of relationship

Sr. No	Category of related parties	Names
a.	Holding Company/Controlling Entity***	Tata Sons Private Limited (Controlling entity upto 17 March 2021 and holding company w.e.f. 18 March 2021)
b.	Subsidiaries, Associates and joint ventures of holding companies/controlling entities and their subsidiaries * ("Affiliates") (Refer notes below)	Tata Asset Management Limited Panatone Finvest Limited (Controlling entity upto 17 March 2021 and affiliate w.e.f. 18 March 2021)*** Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Tata Consultancy Services Limited Tata Teleservices (Maharashtra) Limited Tata Teleservices Limited The Indian Hotels Company Limited Nelco Limited Tatanet Services Ltd. Piem Hotels Limited Voltas Limited Hemisphere Properties India Limited Tata Motors Limited

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 46. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		ATC Infrastructure Services Private Limited (formerly ATC Infrastructure Services Limited)
		Infiniti Retail Limited
		Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities & Services Company Limited)
		TVS Supply Chain Solutions Limited
		T.V.Sundram Iyengar & Sons Private Limited
		ATC Telecom Infrastructure Private Limited (formerly Viom Networks Limited)
		The Tata Power Company Limited
		TRIL Infopark Limited
		Conneqt Business Solutions Limited (formerly Tata Business Support Services Limited)
		Tata Steel Limited
		Titan Company Limited
		Tata Sky Limited
		Tata Capital Financial Services Limited
		Tata Power Trading Company Limited
		Arvind and Smart Value Homes LLP
		Nova Integrated Systems Limited
		Sir Ratan Tata Trust
		Tata Boeing Aerospace Limited (formerly Tata Aerospace Limited)
		Tata Motors (SA) (Proprietary) Limited
		Tata Motors Insurance Broking and Advisory Services Limited
		Tata SIA Airlines Limited
		TRIL Amritsar Projects Limited (formerly TRIF Amritsar Projects Limited)
		Tata Power Delhi Distribution Limited
		Tata Consultancy Services (South Africa) (PTY) Ltd.
		Tata Chemicals Magadi Limited
		Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited)
		Tata Technologies Europe Limited
		Automotive Stampings and Assemblies Limited
		Allsec Technologies Limited
		APTOnline Limited (formerly APOne Limited)
		Tata Advanced Systems Limited
		AirAsia (India) Limited
		Arrow Infraestate Private Limited
		Tata Steel BSL Limited (formerly Bhushan Steel Limited) (under amalgamation)

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 46. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Benares Hotels Limited
		Coastal Gujarat Power Limited
		C-Edge Technologies Limited
		Calsea Footwear Private Limited
		TML Business Services Limited (formerly Concorde Motors (India) Limited)
		Fiora Business Support Services Limited (formerly known as Westland Limited)
		Fiora Hypermarket Limited
		HL Promoters Private Limited
		Indian Rotorcraft Limited
		Inditravel Limited (formerly Taj Services Limited)
		Indian Steel & Wire Products Ltd.
		Tata Autocomp Katcon Exhaust Systems Private Limited (formerly Katcon India Private Limited)
		Kriday Realty Private Limited
		Kolkata-One Excelton Private Limited
		Trent Limited
		Sector 113 Gatevida Developers Private Limited (formerly Lemon Tree Land & Developers Private Limited)
		Maithon Power Limited
		MahaOnline Limited
		Princeton Infrastructure Private Limited
		Tata Sky Broadband Private Limited (formerly Quickest Broadband Private Limited)
		Rallis India Limited
		Roots Corporation Limited
		Tata Value Homes Limited (formerly Smart Value Homes Limited)
		Sir Dorabji Tata Trust
		Smart Value Homes (Boisar) Private Limited (formerly Niyati Sales Private Limited)
		Smart Value Homes (Peenya Project) Private Limited (formerly Smart Value Homes (Boisar Project) Private Limited)
		Shriji Polymers (India) Limited
		Tata Chemicals Limited
		Tata Steel Downstream Products Limited (formerly Tata Steel Processing and Distribution Limited)
		Tata Consumer Products Limited (formerly Tata Global Beverages Limited)
		Tata Technologies Limited
		Tata Toyo Radiator Limited
		Tata Elxsi Limited
		Tata Coffee Ltd.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 46. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Motors Finance Limited (formerly Sheba Properties Limited)
		Tata International Limited
		Tata Ficosa Automotive Systems Private Limited (Tata Ficosa Automotive Systems Limited)
		Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited)
		Tata Motors Finance Solutions Limited
		TACO Sasken Automotive Electronics Limited
		TATA Advanced Materials Limited
		Tata Autocomp Systems Limited
		Tata Metaliks Ltd.
		TCS e-Serve International Limited
		Tata Realty and Infrastructure Limited
		Tata International Wolverine Brands Limited
		Tata Housing Development Company Limited
		Tata Marcopolo Motors Limited
		Tata Steel Mining Limited (formerly known as T S Alloys Limited)
		Tata Industries Limited
		Tata Sikorsky Aerospace Limited (formerly Tara Aerospace Systems Limited)
		Tata Securities Limited
		Tata Steel Special Economic Zone Limited
		Tata Capital Housing Finance Limited
		TM Automotive Seating Systems Private Limited
		TP Ajmer Distribution Limited
		Tata SmartFoodz Limited (formerly SmartFoodz Limited)
		Tata Lockheed Martin Aerostructures Limited
		Titan Engineering & Automation Limited
		Tata Digital Limited
		Tata Projects Limited
		Tata Power Solar Systems Limited
		Tata Limited
		The Tinsplate Company of India Limited
		United Hotels Limited
		Vortex Engineering Private Limited
		Promont Hilltop Private Limited
		Tata AutoComp GY Batteries Private Limited (formerly Tata AutoComp GY Batteries Limited)
		Tata Autocomp Hendrickson Suspensions Private Limited (formerly Taco Hendrickson Suspensions Private Limited)
		Tata Consulting Engineers Limited

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 46. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Peoplestrong Technologies Private Limited (formerly 'Peoplestrong HR Services Private Limited')
		Roots Corporation Limited
		Indusface Private Limited
		Pamodzi Hotels Plc
		Artson Engineering Limited (AEL)
		Hampi Expressways Private Limited
		Stryder Cycle Private Limited
		Tema India Limited
		TP Central Odisha Distribution Limited
		Fincare Small Finance Bank Limited
		Harita Insurance Broking LLP
		NourishCo Beverages Ltd.
		Tata Electronics Private Limited (formerly TRIL Bengaluru Real Estate Four Private Limited)
		Tata Medical and Diagnostics Limited
		TP Luminaire Private Limited
		Lokmanaya Hospital Private Limited
		Tata Consultancy Services (Africa) (PTY) Ltd.
		MP Online Limited
		Taj International Hotels Limited
		Ecofirst Services Limited
		Diligenta Limited
		Jaguar Land Rover Limited
		MGDC S.C.
		Tata International Singapore Pte Limited
		Tata Steel UK Limited
		Tata Consultancy Services Canada Inc.
		Tata Steel Minerals Canada Limited
		Tata America International Corporation
		Tata International Metals (Americas) Limited (formerly Tata Steel International (North America) Limited)
		Tata Consultancy Services Deutschland GmbH
		Tata Consultancy Services Sverige AB
		Move On Componentes E Calcado, S.A.
		T S Global Procurement Company Pte. Ltd.
		Tata Consultancy Services Asia Pacific Pte Ltd.
		Tata South-East Asia Limited
		Tata Africa Holdings (SA) (Proprietary) Limited
		TATA Africa Holdings (Kenya) Limited

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 46. Related party transactions (Contd..)

Sr. No	Category of related parties	Names
		Tata Chemicals Europe Limited
		Tata Consultancy Services De Espana S.A.
		TCS e-Serve America, Inc.
		Tata Consultancy Services Malaysia Sdn Bhd
		Tata Consultancy Services Switzerland Ltd.
		Tata Holdings Mocambique Limitada
		Tata International Metals (Asia) Limited (formerly Tata Steel International (Hongkong) Limited
		Tata South East Asia (Cambodia) Limited
		Tata Uganda Limited
		Tata Zambia Limited
		Tata Africa Services (Nigeria) Limited
		Retreat Capital Management Inc
		Tata Consumer Products GB Ltd. (formerly Tata Global Beverages GB Ltd.)
		Tata Motors European Technical Centre PLC
		Tata Technologies Inc.
		TCS Financial Solutions Australia Pty Limited
c.	Associates	United Telecom Limited
		STT Global Data Centres India Private Limited
		STT Tai Seng Pte Limited (up to 14 June,2019)
		Smart ICT Services Private Ltd.
e.	Key Managerial Personnel	Mr. Amur Lakshminarayanan Swaminathan (w.e.f. 26 November,2019)**
		Managing Director and CEO
		Mr Vinod Kumar (up to 05 July,2019)
		Managing Director and CEO
f.	Others	Multiples Alternate Asset Management Private Limited
		PeopleStrong HR Services Private Limited
		Encube Ethicals Private Limited
		Tata Communications Employee Provident Fund Trust
		Tata Communications Employee Gratuity Trust
		Tata Communications Transformation Services Limited Employees Gratuity Trust

\*Where transactions have taken place

\*\*Mr. Amur Lakshminarayanan Swaminathan was appointed as MD & CEO - Designate for the period 3rd October,2019 to 25th November,2019 pending necessary regulatory approval.

\*\*\*On 16 and 17 March, 2021, the Government of India had divested 16.12% of its stake in the Company under the offer for sale mechanism of the stock exchanges to non-promoter shareholders. On 18 March 2021, Panatone Finvest Limited ('Panatone'), a subsidiary of Tata Sons Private Limited ('TSPL') purchased the balance stake of 10% from Government of India through an off-market inter-se transfer of shares between promoters. Consequently, the combined stake of Tata Sons Limited in the Company increased from 48.87% to 58.87% and Government of India ceased to hold any shares in the Company.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 46. Related party transactions (Contd..)

#### ii. Summary of transactions with related parties

(₹ in crores)

Particulars	Holding Company/ Controlling Entities	Affiliates	Key management personnel	Associates	Others	Total
<b>Transactions with related parties</b>						
<b>Dividend paid</b>						
	16.03	39.67	-	-	-	55.70
	62.67	-	-	-	-	62.67
<b>Brand equity expenses</b>						
	31.99	-	-	-	-	31.99
	22.78	-	-	-	-	22.78
<b>Revenue from telecommunication services</b>						
	3.74	1,212.04	-	166.49	0.27	1,382.54
	2.97	1,118.34	-	142.23	0.46	1264.00
<b>Network and transmission</b>						
	-	318.94	-	27.77	-	346.71
	-	384.17	-	15.22	-	399.39
<b>Purchase of property plant and equipment and other intangible assets</b>						
	-	33.48	-	-	-	33.48
	-	25.30	-	-	-	25.30
<b>Additions to Right of Use assets #</b>						
	-	1.03	-	-	-	1.03
	-	7.84	-	-	-	7.84
<b>Services rendered</b>						
	-	24.25	-	8.25	-	32.50
	-	-	-	6.11	-	6.11
<b>Services received</b>						
	0.38	165.90	-	63.29	-	229.57
	0.64	200.09	-	66.29	-	267.02
<b>Equity capital contribution</b>						
	-	-	-	34.31	-	34.31
	-	-	-	49.35	-	49.35

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 46. Related party transactions (Contd..)

#### ii. Summary of transactions with related parties

(₹ in crores)

Particulars	Holding Company/ Controlling Entities	Affiliates	Key management personnel	Associates	Others	Total
<b>Preference capital contribution</b>	-	-	-	-	-	-
	-	-	-	0.03	-	0.03
<b>Managerial remuneration</b>	-	-	15.59	-	-	15.59
	-	-	19.04	-	-	19.04
<b>Purchase of current investments</b>	-	964.57	-	-	-	964.57
	-	907.90	-	-	-	907.90
<b>Redemptions of current investments</b>	-	967.20	-	-	-	967.20
	-	855.78	-	-	-	855.78
<b>Contribution to gratuity trust</b>	-	-	-	-	29.11	29.11
	-	-	-	-	13.35	13.35
<b>Contribution to PF trust</b>	-	-	-	-	97.09	97.09
	-	-	-	-	84.48	84.48
<b>Interest on lease liabilities (forms part of lease payouts of ₹ 1.23 crores (2019-20) ₹ 0.94 crores)</b>	-	0.44	-	-	-	0.44
	-	0.48	-	-	-	0.48
<b>Interest income</b>	-	0.41	-	-	-	0.41
	-	-	-	-	-	-
<b>Balances with related parties</b>						
<b>Trade Receivables</b>	1.51	331.14	-	24.66	0.01	357.32
	0.94	479.92	-	95.46	0.03	576.35

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 46. Related party transactions (Contd..)

#### ii. Summary of transactions with related parties

(₹ in crores)

Particulars	Holding Company/ Controlling Entities	Affiliates	Key management personnel	Associates	Others	Total
<b>Trade Payables (including capital creditors)</b>	30.62	184.54	-	22.64	0.07	237.87
	21.95	437.64	-	12.90	-	472.49
<b>Other investments-current</b>	-	98.74	-	-	-	98.74
	-	94.66	-	-	-	94.66
<b>Other financial assets - Non - Current</b>	-	1.95	-	-	-	1.95
	-	1.96	-	-	-	1.96
<b>Other financial assets - Current</b>	-	14.52	-	30.44	-	44.96
	-	0.60	-	41.69	-	42.29
<b>Other assets - Current</b>	-	12.95	-	2.71	-	15.66
	-	96.64	-	(7.46)	-	89.18
<b>Other assets - Non-Current</b>	-	-	-	0.08	-	0.08
	-	0.01	-	-	-	0.01
<b>Other liabilities - Non - current</b>	0.05	38.66	4.95	0.05	0.01	43.72
	-	41.90	1.58	3.89	-	47.37
<b>Other financial liabilities - Current</b>	-	5.33	-	17.99	-	23.32
	@	5.67	-	17.99	-	23.66
<b>Other liabilities - Current</b>	0.74	37.68	5.37	171.06	8.78	223.63
	-	25.72	1.49	198.72	7.62	233.55
<b>Provision</b>	-	-	0.30	-	-	0.30
	-	-	0.04	-	-	0.04

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 46. Related party transactions (Contd..)

#### ii. Summary of transactions with related parties

(₹ in crores)

Particulars	Holding Company/ Controlling Entities	Affiliates	Key management personnel	Associates	Others	Total
<b>Lease liability</b>						
<b>Current</b>	-	<b>0.84</b>	-	-	-	<b>0.84</b>
	-	2.74	-	-	-	2.74
<b>Lease liability-Non - Current</b>						
	-	<b>1.11</b>	-	-	-	<b>1.11</b>
	-	5.05	-	-	-	5.05

@represents transaction of amounts less than ₹ 50,000.

\*Addition to Right of use assets in the previous year includes ₹ 7.84 crores on account of impact of Ind AS 116 adoption w.e.f. 1 April 2019.

### 47. Leases

#### A. As lessee:

The Group has lease contracts for immovable properties across various locations used in its operations.

a. Following are the changes in the carrying value of right of use assets for the year ended 31st March 2021:

(₹ in crores)

Particulars	Land	Building	PPE	Total
<b>Balance as of 1st April 2019</b>	<b>165.94</b>	<b>277.11</b>	<b>651.81</b>	<b>1,094.86</b>
Additions	0.01	595.15	104.39	699.55
Terminated	(0.01)	(2.25)	-	(2.26)
Depreciation (refer note (i) below)	(2.57)	(136.94)	(118.35)	(257.86)
Effect of foreign currency exchange differences	-	10.19	51.14	61.33
<b>Balance as of 31 March 2020</b>	<b>163.37</b>	<b>743.26</b>	<b>688.99</b>	<b>1,595.62</b>
Additions	-	81.59	13.57	95.16
Terminated	-	(36.65)	-	(36.65)
Depreciation (refer note (i) below)	(2.57)	(160.69)	(138.10)	(301.36)
Effect of foreign currency exchange differences	-	(4.99)	(19.34)	(24.33)
Acquisition of subsidiary	-	5.23	-	5.23
<b>Balance as of 31 March 2021</b>	<b>160.80</b>	<b>627.75</b>	<b>545.12</b>	<b>1,333.67</b>

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 47. Leases (Contd..)

i. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expenses in the statement of Profit and Loss.

b. The Group has lease contracts for immovable properties across various locations used in its operations. Such leases generally have lease terms between 1 to 80 years. Generally, The Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

The Group also has certain leases with lease terms of 12 months or less.

c. The following is the break-up of current and non-current lease liabilities as at 31st March 2021 and 31st March 2020

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of lease liabilities	282.08	298.58
Non-Current Liabilities	1,153.06	1,394.02

d. The following is the movement in lease liabilities during the year ended 31st March, 2021 and 31st March, 2020:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Opening Balance</b>	<b>1,692.60</b>	<b>13.16</b>
IND AS 116 Impact	-	1,151.55
Additions	111.13	697.03
Acquisition of subsidiary	5.23	-
Finance cost accrued during the year	79.10	67.75
Payment of lease liabilities	(369.94)	(313.08)
(Gain)/Loss on leased assets terminated	(79.43)	(2.74)
Translation Differences	(3.55)	78.93
<b>Closing Balance</b>	<b>1,435.14</b>	<b>1,692.60</b>

e. The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2021 on an undiscounted basis:

(₹ in crores)

Particulars	Amount
Less than one year	351.59
One to five years	968.63
More than five years	398.79
<b>Total</b>	<b>1,719.01</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 47. Leases (Contd..)

#### B. As lessor:

- i. In case of certain operating lease agreements relating to dark fiber contracts aggregating ₹ 376.29 crores (31 March 2020: ₹ 315.85 crores) as at 31 March 2021, the gross block, accumulated depreciation and depreciation expense of the assets given on an IRU basis cannot be identified as these assets are not exclusively leased. The lease rentals associated with such IRU arrangements for the year ended 31 March 2021 amount to ₹ 26.16 crores (2019 - 2020: ₹ 23.08 crores). Further lease income in respect of certain premises under non-cancellable operating lease arrangements for the year ended March 2021 amount to ₹ 11.93 crores (2019 - 2020: ₹ 11.90 crores).

Future lease rental receipts will be recognized in the Consolidated Statement of Profit and Loss of subsequent years as follows:

(₹ in crores)		
Particulars	As at 31 March 2021	As at 31 March 2020
Due not later than one year	35.89	33.63
Due later than one year but not later than five years	123.51	97.30
Later than five years	166.64	136.18
	<b>326.04</b>	<b>267.11</b>

- ii. The Group has leased certain premises under non-cancellable operating lease arrangements to its associate. Future lease rental income in respect of these leases will be recognized in the Consolidated Statement of Profit and Loss of subsequent years as follows:

(₹ in crores)		
Particulars	As at 31 March 2021	As at 31 March 2020
Not later than one year	35.03	31.51
Later than one year but not later than five years	124.07	121.74
Later than five years	180.10	210.17
	<b>339.20</b>	<b>363.42</b>

Lease rental income of ₹ 35.16 crores (2019-2020: ₹ 35.38 crores) in respect of the above leases has been recognized in the Consolidated Statement of Profit and Loss for the current year

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 48. Contingent liabilities and Commitments:

#### a. Contingent Liabilities:

(₹ in crores)		
Particulars	As at 31 March 2021	As at 31 March 2020
I. Claims for taxes on income *		
- Income tax disputes where department is in appeal against the Group (refer I (i) below)	881.72	754.52
- Other disputes related to income tax	2,233.61	1,996.58
- Income tax disputes in foreign jurisdiction (refer I (ii) & I (iii) below)	812.84	342.43
II. Claims for other taxes*	402.69	398.93
III. Other claims (refer III below)	4,094.50	3,494.76

\*In case the above cases are against the Group, then the Group may be liable for an interest exposure of ₹ 1,392.11 crores

#### I. Claims for taxes on income

- i. Significant claims by the revenue authorities in respect of income tax matters relate to disallowance of deductions claimed under section 80 IA of the Income Tax Act, 1961 from assessment years 1996-97 onwards and transfer pricing adjustments carried out by revenue authorities. The Company has contested the disallowances / adjustments and has preferred appeals which are pending.
- ii. Canada Revenue Agency (CRA) had made addition to the taxable income equivalent to ₹ 907.95 crores (USD 124.19 million) (31 March 2020: ₹ 742.11 crores (USD 98.35 million)) on Tata communications Canada Ltd (hereafter referred to as the subsidiary) in respect of adjustments made while carrying out audit of international telecommunications services for the period financial year 2007-08 to 2014-15 with potential tax demand (including interest) equivalent to ₹ 159.22 crores (USD 21.78 million) (31 March 2020: ₹ 123.96 crores (USD 16.43 million)). The said subsidiary has filed notice of objections for all the seven years which is yet to come up for hearing. As a result of primary adjustments, deemed dividend provisions became applicable and corresponding withholding tax implications (WHT) are equivalent to ₹ 45.40 crores (USD 6.21 million) (31 March 2020: ₹ 41.93 crores (USD 5.60 million)). The Management has been advised that Transfer Pricing (TP) methodology implemented is as per industry practice and sustainable. In view of the above, the Management believes that issue will be settled in its favor and will not have any material adverse impact on its financial position and results of operations. The said subsidiary has applied for an Advance pricing agreement (APA), on completion of which, matter will be concluded. Pending settlement of the matter, the Group has disclosed the potential tax demand equivalent to ₹ 159.22 crores (USD 21.78 million) (31 March 2020: ₹ 123.96 crores (USD 16.43 million)) and WHT equivalent to ₹ 45.40 crores (USD 6.21 million) (31 March 2020: ₹ 41.93 crores (USD 5.60 million)) as contingent liability in the books.
- iii. CRA had initiated audit of support services rendered by Tata Communications Canada Ltd (hereafter referred to as 'the subsidiary') to Tata Communications Services (Bermuda) Limited ('TCSBL') for all fiscal years from 2007-08 to 2013-14. CRA proposed rejection of transfer pricing method applied by the said subsidiary and made additions to the taxable income equivalent to ₹ 1,387.62 crores (USD 189.80 million) (31 March 2020: ₹ 839.04 crores (USD 111.19 million)). The said subsidiary has received reassessment notice from CRA for federal portion of tax and potential withholding tax implications (WHT) (including penalty and interest) equivalent to ₹ 519.52 crores (USD 71.06 million) (31 March 2020: ₹ 176.54 crores (USD 23.39 million)). Tax adjustment includes primary adjustment of ₹ 202.88 crores (USD 27.75 million) and



## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 48. Contingent liabilities and Commitments: (Contd..)

secondary adjustment of ₹ 177 crores (USD 24.21 million) due to non-settlement of the adjustment through cash consideration. The subsidiary had obtained an opinion from external consultant in 2016 and updated opinion dated April 12, 2021, which stated and re-confirmed that the CRA's adjustment is not sustainable as it does not reflect the facts underlying the adjusted transfer pricing and is also not consistent with arm's length principle. The subsidiary has filed the appeal in the Tax Court for FY 2007-08 to 2009-10 and shall file for subsequent years in due course. Accordingly, the Company believes that the issue will be settled in its favour and will not have any material adverse impact on its financial position and results of operations and accordingly, disclosed the potential tax demand (including interest and penalty) of ₹ 519.52 crores (USD 71.06 million) (31 March 2020: ₹ 176.54 crores (USD 23.39 million)) as contingent liability in the books.

- iv The Group has certain tax receivables against the ongoing litigations which will be settled on completion of the respective litigation. The Group is of the view that the said balances are recoverable and does not require any adjustments as at 31 March 2021.

#### II. Claims for other taxes

During the year ended March 31, 2020, a subsidiary domiciled abroad, has received a final VAT assessment from VAT authorities for amount equivalent to ₹ 132.94 crores (EUR 15.55 million) and a final penalty assessment equivalent to ₹ 155.21 crores (EUR 18.10 million) was also received. During the current year, 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.

#### III. Other claims:

- i. Telecom Regulatory Authority of India ("TRAI") reduced the Access Deficit Charge ("ADC") rates effective 1 April 2007. All telecom service providers including National Long Distance ("NLD") and International Long Distance ("ILD") operators in India are bound by the TRAI regulations. Accordingly, the Company has recorded the cost relating to ADC at revised rates as directed by TRAI. However, BSNL continued to bill at the ADC rate applicable prior to 1 April 2007. BSNL had filed an appeal against TRAI Interconnect Usage Charges ("IUC") regulation of reduction in ADC and currently this matter is pending with the Hon'ble Supreme Court. The excess billing of BSNL amounting to ₹ 311.84 crores (31 March 2020: ₹ 311.84 crores) has been disclosed as contingent liability.
- ii. (a) During the previous year ended 31 March, 2020, the Company had received demands from Department of Telecommunications (DOT) aggregating to is ₹ 6,633.43 crores 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 ₹ 5,433.70 crores 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 case to defend, it has made a provision of ₹ 337.17 crores during the quarter ended March 31, 2020 and for the balance amount of ₹ 5,096.53 crores, 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 year ended 31 March 2021, the Company has made a payment of ₹ 379.51 crores under protest to DOT.

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 48. Contingent liabilities and Commitments: (Contd..)

With respect to demands for the balance amount of ₹ 1,199.73 crores, 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 abovementioned 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. The Company has disclosed the total contingent liability of ₹ 2,235.52 crores towards all AGR dues including above demands.

- (b) During year ended 31 March, 2021 an associate considered certain provision in its unaudited 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 ₹ 24.40 crores (net of tax). The Group has obtained a legal opinion in this regard.

- iii. Upon expiry of the Company's Internet Service Provider ('ISP') license on 24 January 2014, DoT vide letter dated 20 February 2014 extended the validity of the said license for 3 months with condition that entire ISP revenue will be subject to license fees. This conditional extension by DoT, was challenged by the Company in TDSAT and on 18 October 2019 the Company's petition has been allowed by TDSAT. DoT has filed an appeal in Hon'ble Supreme Court, against the said order, but no stay has been granted by the Hon'ble Supreme Court and appeal is yet to be heard. The Company has continued to disclose an amount of ₹ 1,120.43 crores (31 March 2020: ₹ 854.35 crores) including interest under contingent liabilities.

- iv. During the year ended 31 March 2019, in an effort to toll the claims period under and pursuant to the Neotel Sale Agreement, VSNL SNOSPV Pte Ltd. (SNOSPV), together with the other sellers under the Sale Agreement, Sepco Communications Proprietary Limited and Nexus Connexion SA Proprietary Limited (collectively "Sellers"), received notice from Liquid Telecommunications Holdings South Africa (Pty) Limited ("Liquid") alleging certain breach of warranties and indemnity claims.

During the year ended 31 March, 2020, Liquid filed an arbitration proceeding for claim damages equivalent to ₹ 223.32 crores (ZAR 453 million).

During the year ended March 31, 2021, Liquid has revised its claim for damage equivalent to ₹ 192.76 crores (ZAR 391 million). The arbitrator granted the arbitration proceedings to be completed in two phases, first phase claim amounting to ₹ 7.89 crores (ZAR 16 million) and second phase claim amounting to ₹ 184.87 crores (ZAR 375 million).

As at March 31, 2021 the first phase claim is under review with South Gauteng High Court and second phase claim proceedings is yet to be commenced. Based on its analysis of the claim and advice from external legal counsel, the Group is of the view that this matter will not have a material adverse impact on its consolidated financial statements.

- v. Other Claims of ₹ 233.84 crores (31 March 2020: ₹ 241.83 crores) pertains to the Company and its subsidiaries in various geographies being routine party to suits for collection, commercial disputes, claims from customers and/or suppliers over reconciliation of payments for voice minutes, circuits, internet bandwidth and/or access to the public switched telephone network, leased equipment, and claims from estates of

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 48. Contingent liabilities and Commitments: (Contd..)

bankrupt companies alleging that the Group received preferential payments from such companies prior to their bankruptcy filings. The management currently believes that resolving such suits and claims, individually or in aggregate, will not have a material adverse impact on the Group's financial position.

IV. During the earlier years, the Company and its two directors and an ex-employee had received show cause notices from Directorate of Enforcement, Ministry of Finance on alleged violation of the rules and regulations under the Foreign Exchange Management Act, 1999. The contravention amount involved in all these notices is ₹ 593 crores. The liability could extend up to three times the amount quantified as contravention. The Company had provided ₹ 4.50 crores as compounding penalty, based on a legal opinion. During the previous year, Ministry of Information and Broadcasting approval was received and based on the same the Company had filed its application with RBI for compounding of charges. The Company and the named individuals in the SCNs filed their replies to the SCNs refuting the allegations made therein and without prejudice to their contentions and claims filed compounding applications with the RBI. RBI vide its separate orders dated 18 October 2019, had disposed off the compounding applications and had compounded the contravention subject of payment of ₹ 1.48 crores by the Company and ₹ 0.14 crores each by the individuals. The Company had made the payment on its behalf and also on behalf of the individuals. Thereafter, the Company and named individuals have also filed their representation with ED requesting for the closure of the proceedings.

V. Based on the management assessment and legal advice, wherever taken, the Group believes that the above claims are not probable and would not result in outflow of resources embodying economic benefits.

### b. Capital commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amount to ₹ 689.59 crores (31 March 2020: ₹ 718.05 crores) (net of capital advances). Further Group's share in associate is ₹ 74.24 crores (31 March 2020: ₹ 83.71 crores) (net of capital advances).

As at 31 March 2021, the Group has remaining commitment of ₹ 69.45 crores (equivalent of USD 9.50 million) (31 March 2020: ₹ 101.87 crores (equivalent of USD 13.50 million)) towards investments in Northgate Telecom Innovations Partners, L.P., one of the investee.

The Company has committed to subscribe to equity shares rights issue offer of STT Global Data Centers India Private Limited upto ₹ 70 crores as at 31 March 2021

### 49. Financial Statements for the following companies considered in the consolidated financial statements are based on management accounts and are unaudited:

	(₹ in crores)
Associates	Share in profit/(loss) of associates
STT Global Data Centres India Private Limited	(2.09)
Smart ICT Services Private Limited	(0.05)

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 50. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table:

#### Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/ (Loss) (OCI)		Share of Total Comprehensive Income/ (Loss)	
	As percentage of consolidated net assets	Amount in ₹ crores	As percentage of consolidated profit or loss	Amount in ₹ crores	As percentage of consolidated OCI	Amount in ₹ crores	As percentage of Total Comprehensive Income	Amount in ₹ crores
<b>Parent</b>								
Tata Communications Limited	131.91	9,066.45	71.52	962.66	(4.5)	(2.73)	68.24	959.93
<b>Subsidiaries</b>								
<b>Indian</b>								
Tata Communications Payments Solutions Limited	1.32	90.41	(10.36)	(139.45)	0.23	0.14	(9.9)	(139.31)
Tata Communications Transformation Services Limited	4.71	323.64	(0.88)	(11.83)	6.92	4.2	(0.54)	(7.63)
Tata Communications Collaboration Services Private Limited	2.17	149.39	8.73	117.45	-	-	8.35	117.45
<b>Foreign</b>								
Tata Communications (UK) Limited	(6.97)	(478.73)	2.8	37.64	-	-	2.68	37.64
Tata Communications (Canada) Ltd	(25.36)	(1,743.34)	1.09	14.61	43.41	26.33	2.91	40.94
Tata Communications (France) SAS	0.81	55.88	2.82	37.95	-	-	2.7	37.95
Tata Communications (America) Inc	16.3	1,120.18	9.87	132.81	-	-	9.44	132.81
Tata Communications Deutschland GmbH	(4.94)	(339.61)	0.15	2	-	-	0.14	2
Tata Communications (Italy) srl	0.01	0.91	(0.04)	(0.49)	-	-	(0.03)	(0.49)
Tata Communications (Spain) SL	2.08	142.89	1.06	14.31	-	-	1.02	14.31
Tata Communications (Nordic) AS	0.05	3.52	0.04	0.55	-	-	0.04	0.55

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 50. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/(Loss) (OCI)		Share of Total Comprehensive Income/(Loss)	
	As percentage of consolidated net assets	Amount in ₹ crores	As percentage of consolidated profit or loss	Amount in ₹ crores	As percentage of consolidated OCI	Amount in ₹ crores	As percentage of Total Comprehensive Income	Amount in ₹ crores
Tata Communications (Australia) Pty Ltd	0.32	21.74	0.14	1.82	-	-	0.13	1.82
Tata Communications (Bermuda) Ltd	(47.78)	(3,283.92)	5.63	76.03	-	-	5.4	76.03
Tata Communications (Hong Kong) Limited	(3.72)	(255.59)	0.71	9.54	-	-	0.68	9.54
Tata Communications (Poland) Sp Zoo	0.03	1.96	(0.06)	(0.86)	-	-	(0.06)	(0.86)
Tata Communications Services (International) Pte Ltd	0.47	32.14	0.39	5.21	-	-	0.37	5.19
ITXC IP Holdings s.a.r.l	(0.07)	(4.71)	(0.23)	(3.08)	-	-	(0.22)	(3.08)
Tata Communications (Netherlands) BV	11.52	791.55	0.64	8.66	53.92	32.71	2.94	41.37
Tata Communications (Sweden) AB	0.02	1.71	-	(0.05)	-	-	-	(0.05)
Tata Communications (Portugal) Instalacao E Manutencao De Redes Lda	0.07	4.68	0.32	4.28	-	-	0.3	4.28
Tata Communications (Portugal) Unipessol Lda	0.16	10.8	0.02	0.32	-	-	0.02	0.32
Tata Communications (Russia) LLC	0.35	24.06	-	0.03	-	-	-	0.03
Tata Communications (Switzerland) GmbH	0.07	4.61	0.05	0.67	-	-	0.05	0.67
Tata Communications (Belgium) SPRL	0.01	0.81	0.01	0.08	-	-	0.01	0.08

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 50. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/(Loss) (OCI)		Share of Total Comprehensive Income/(Loss)	
	As percentage of consolidated net assets	Amount in ₹ crores	As percentage of consolidated profit or loss	Amount in ₹ crores	As percentage of consolidated OCI	Amount in ₹ crores	As percentage of Total Comprehensive Income	Amount in ₹ crores
Tata Communications (Hungary) LLC	0.08	5.37	-	0.06	-	-	-	0.06
Tata Communications (Ireland) DAC	0.02	1.56	0.04	0.6	-	-	0.04	0.6
Tata Communications (Middle East) FZ-LLC	(0.23)	(15.49)	0.09	0.19	-	-	0.08	1.19
TCPoP Communications GmbH	0.12	8.22	0.01	0.01	-	-	0.01	0.19
Tata Communications (Taiwan) Ltd	(0.01)	(0.55)	(0.01)	(0.07)	-	-	(0.01)	(0.07)
Tata Communications (New Zealand) Limited	0.01	0.56	-	(0.04)	-	-	-	(0.04)
Tata Communications (Malaysia) Sdn Bhd	0.05	3.63	(0.01)	(0.11)	-	-	(0.01)	(0.11)
Tata Communications (Thailand) Limited	0.05	3.31	0.01	0.07	-	-	0.01	0.07
Tata Communications (Beijing) Technology Limited	0.05	3.65	0.11	1.53	-	-	0.11	1.53
Tata Communications South Korea Limited	0.03	2.38	0.02	0.3	-	-	0.02	0.3
Tata Communications (Japan) KK	0.21	14.35	0.52	6.98	-	-	0.5	6.98
Tata Communications (Guam) LLC	2.6	178.55	0.88	11.9	-	-	0.85	11.9
Tata Communications International Pte Ltd	6.06	416.74	3.81	51.29	-	-	3.65	51.29
Netfoundry Inc	(1.27)	(87.56)	(5.36)	(72.12)	-	-	(5.13)	(72.12)

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 50. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/(Loss) (OCI)		Share of Total Comprehensive Income/(Loss)	
	As percentage of consolidated net assets	Amount in ₹ crores	As percentage of consolidated profit or loss	Amount in ₹ crores	As percentage of consolidated OCI	Amount in ₹ crores	As percentage of Total Comprehensive Income	Amount in ₹ crores
Tata Communications SVCS Pte. Ltd.	6.52	448.34	7.04	94.78	-	-	6.74	94.78
VSNL SNOSPV Pte Ltd	(0.19)	(13.23)	(0.13)	(1.79)	-	-	(0.13)	(1.79)
SEPCO Communications (Pty) Ltd	0.04	2.41	-	(0.05)	-	-	-	(0.05)
Nexus Connexion (SA) Pty Ltd	-	0.16	-	(0.02)	-	-	-	(0.02)
Tata Communications Transformation Services (Hungary) Kft.	-	0.33	0.01	0.07	-	-	0.01	0.07
Tata Communications Transformation Services Pte Limited	(1.02)	(70.39)	(2.08)	(27.97)	-	-	(1.99)	(27.97)
Tata Communications Transformation Services (US) Inc	0.01	0.49	0.04	0.49	-	-	0.03	0.49
Tata Communications Transformation Services South Africa (Pty) Ltd	-	0.03	(0.01)	(0.15)	-	-	(0.01)	(0.15)
Tata Communications (Brazil) Participacoes Ltda	0.13	8.88	(0.01)	(0.08)	-	-	(0.01)	(0.08)
Tata Communications Comunicacoes e Multimidia (Brazil) Limitada	0.12	8.23	(0.06)	(0.86)	-	-	(0.06)	(0.86)
Tata Communication Lanka Limited	0.98	67.19	0.9	12.08	-	-	0.85	12.08
Tata Communications MOVE B.V	2.69	184.67	0.03	0.44	-	-	0.03	0.44

## Notes forming part of the Consolidated financial statements

For the year ended 31 March 2021

### 50. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/(Loss) (OCI)		Share of Total Comprehensive Income/(Loss)	
	As percentage of consolidated net assets	Amount in ₹ crores	As percentage of consolidated profit or loss	Amount in ₹ crores	As percentage of consolidated OCI	Amount in ₹ crores	As percentage of Total Comprehensive Income	Amount in ₹ crores
Tata Communications MOVE Nederland B.V.	(0.73)	(50.21)	(0.05)	(0.68)	-	-	(0.05)	(0.68)
Tata Communications MOVE UK Ltd	0.01	0.37	-	(0.04)	-	-	-	(0.04)
Tata Communications MOVE Singapore Pte. Ltd	-	-	0.02	0.3	-	-	0.02	0.3
MuCoSO B.V.	-	0.14	-	(0.01)	-	-	-	(0.01)
Tata Communications Transformation Services Senegal Ltd	-	0.21	(0.04)	(0.58)	-	-	(0.04)	(0.58)
Oasis Smart E-Sim Pte Ltd	0.01	0.98	0.03	0.47	-	-	0.03	0.47
OASIS Smart SIM Europe SAS	0.53	36.56	-	0.05	-	-	-	0.05
Non controlling interests in all subsidiaries	(0.41)	(28.17)	(0.07)	(0.89)	-	-	(0.06)	(0.89)
Associates								
Indian Associates								
STT Global Data Centres India Private Limited	-	-	(0.15)	(2.09)	0.03	0.02	(0.15)	(2.07)
Smart ICT Services Pvt Ltd	-	-	-	(0.05)	-	-	-	(0.05)
<b>Total</b>	<b>100</b>	<b>6,873.14</b>	<b>100</b>	<b>1,346.05</b>	<b>100</b>	<b>60.65</b>	<b>100</b>	<b>1406.7</b>
Adjustments on Consolidation	-	(6757.68)	-	(95.42)	-	196.54	-	101.12
<b>Grand Total</b>		<b>115.46</b>		<b>1250.63</b>		<b>257.19</b>		<b>1507.82</b>

### 51. Events after the reporting period

There are no significant subsequent events between the year ended 31 March 2021 and signing of financial statements as on 28 April, 2021 which have material impact on the consolidated financial statements of the Company.








**Tata Communications Limited**

VSB, Mahatma Gandhi Road,  
Fort Mumbai, 400 001  
India

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