



TATA COMMUNICATIONS LIMITED

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CIN:L64200MH1986PLC039266

EXTRACT OF STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

(₹ in Lakhs)

Standalone	For the quarter ended			For the half year ended		For the year ended
	September 30 2019 (Unaudited)	June 30 2019 (Unaudited)	September 30 2018 (Unaudited)	September 30 2019 (Unaudited)	September 30 2018 (Unaudited)	March 31 2019 (Audited)
Total Income from operations (net)	151329	144978	131073	296307	258314	548136
Profit before exceptional items and tax	17661	23782	5461	41443	16465	39120
Profit / (Loss) before tax	17069	23782	5089	40851	16093	(27577)
Profit / (Loss) after tax	7515	16698	3266	24213	10343	(44232)
Total Comprehensive Income / (Loss) for the period	6639	15466	3092	22105	10911	(45118)
Equity share capital	28500	28500	28500	28500	28500	28500
Earnings per share (of ₹10/- each) (Not Annualised)						
Basic and Diluted (₹)	2.64	5.86	1.15	8.50	3.63	(15.52)

(₹ in Lakhs)

Consolidated	For the quarter ended			For the half year ended		For the year ended
	September 30 2019 (Unaudited)	June 30 2019 (Unaudited)	September 30 2018 (Unaudited)	September 30 2019 (Unaudited)	September 30 2018 (Unaudited)	March 31 2019 (Audited)
Total Income from operations (net)	428230	417746	407686	845976	801358	1658521
Profit from operations before exceptional items, tax and share of profit/(loss) of associate	16916	16658	4037	33574	4448	34096
Profit from operations before tax and share of profit/(loss) of associate	16324	16010	4194	32334	4605	34320
Profit / (Loss) from operations	5431	7700	215	13131	(5580)	(8043)
Total Comprehensive Income / (Loss) for the period	(13389)	5456	(34600)	(7933)	(69296)	(52579)
Equity share capital	28500	28500	28500	28500	28500	28500
Earnings per Share (of ₹10/-each) (Not Annualised)						
Basic and Diluted (₹)	1.89	2.69	0.06	4.58	(1.99)	(2.89)

Notes :-

- The above Standalone and Consolidated results for the quarter and half year ended September 30, 2019 were taken on record and approved by the Board of Directors at their meeting held on November 08, 2019. These results have been reviewed by the audit committee and have been subjected to a limited review by the statutory auditors.
- During the quarter ended September 30, 2019, the Company has received a demand from Department of Telecommunications (DOT) for ₹ 663343 lakhs towards License Fee on its Adjusted Gross Revenue (AGR) for the financial years 2006-07 till 2017-18. This includes an amount of ₹ 543370 lakhs which were disallowed by the DOT towards the cost adjusted to Gross Revenues by the Company that were claimed on accrual basis instead of actual payment, for which a revised statement on the basis of actual payment is being submitted. On October 24, 2019, the Honourable Supreme Court has given ruling on the AGR. The Company's appeal is not included in the above ruling. 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. The Company plans to contest these demands and believes it will be able to defend its position. Further, the Company has obtained a legal opinion in this regard.
- During the quarter ended September 30, 2019, a subsidiary domiciled abroad, has received a demand from VAT authorities for ₹ 11992 lakhs. The Company has filed an appeal against the matter and is confident of defending its position.
- 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 Company and HPIL are working towards giving effect to the Scheme in accordance with its terms.
Accordingly, during the quarter ended September 30, 2019, the Company has recorded an expense of ₹ 592 lakhs relating to such demerger under exceptional items. Further, the carrying value of surplus land and fixed deposits amounting to ₹ 306 lakhs has been derecognised and the same is adjusted in retained earnings.
- The Company and its Indian subsidiaries has 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) Ordinance, 2019. Accordingly, the deferred tax assets (net) as at March 31, 2019 and tax expense as at June 30, 2019 have been re-measured. Consequently, tax expense for the current quarter includes a charge of ₹ 4791 lakhs and ₹ 5247 lakhs in its standalone and consolidated financials results.
- The Company and the Group has adopted Ind AS 116 using the modified retrospective approach from April 1, 2019 and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for previous periods have not been retrospectively adjusted. On adoption of this standard following are the impact on Standalone and Consolidated Financial Statements:

(₹ in Lakhs)

Particulars	Standalone	Consolidated
Right-of-use (ROU) assets	6117	92872
Lease liability	7885	115155
Retained earnings (net of taxes) (note a)	(1150)	(14890)
Non-current/current prepaid operating lease assets reclassified to ROU assets	16614	16614
Increase/ (decrease) of profit from operations before taxes for the half year ended September 30, 2019	(155)	543

- The retained earnings of consolidated financial statements is also adjusted for previously recognised lease equalisation liability of ₹ 4384 lakhs that has been derecognised on adoption of this standard.
- The above is an extract of the detailed format of standalone and consolidated unaudited financial results for the quarter and half year ended September 30, 2019, filed with the Stock Exchange under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular no CIR/CFD/FAC/62/2016 dated July 5, 2016. The full format of the standalone and consolidated financial results for the quarter and half year ended September 30, 2019 are available on the stock exchange websites, www.nseindia.com and www.bseindia.com and on the Company's website www.tatacommunications.com

For TATA COMMUNICATIONS LIMITED

Place: Mumbai
Date: November 08, 2019

RENUKA RAMNATH
CHAIRPERSON

SRINATH NARASIMHAN
DIRECTOR