Tata Communications Limited

July 15, 2022

Ratings

Facilities/Instruments*	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	190.00 (Enhanced from 165.00)	CARE AA+; Positive (Double A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Short-term bank facilities	1,027.00 (Reduced from 1,052.00)	CARE A1+ (A One Plus)	Reaffirmed
Total bank facilities	**1,217.00 (₹ One thousand two hundred seventeen crore only)**		
Issuer rating	-	CARE AA+ (Is); Positive [Double A Plus (Issuer Rating); Outlook: Positive]	Reaffirmed; Outlook revised from Stable
Non-convertible debentures	525.00	CARE AA+; Positive (Double A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Total long-term instruments	**525.00 (₹ Five hundred twenty-five crore only)**		

*Details of facilities/instruments in Annexure-1.
^The Issuer rating will be subject to net debt to profit before interest, lease rentals, depreciation and taxation (PBILDT) not exceeding 2.5x (the same stood at 1.88x as on March 31, 2022) on a consolidated basis.

Detailed rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities and instruments of TATA Communications Limited (TCL) takes into account the continual improvement in the company's financial risk profile, leading to a comfortable capital structure and debt coverage metrics, the stable operational and financial performance of the company, and a strong liquidity position. The ratings continue to factor in TCL's global presence in core connectivity; the diversified business operations with an established customer base; and the refinancing of debt, leading to elongation of the bulky repayments, which were due in FY23 (refers to the period from April 01 to March 31), to FY25 and beyond. Furthermore, pursuant to the Government of India's (GoI's) stake sale during FY21, the majority shareholding has been transferred to the TATA group (58.86% as on March 31, 2022), by virtue of which, TCL enjoys enhanced financial flexibility, wider access to capital markets as the limitation to raise funds by way of equity infusion also stands assuaged.
The ratings also take cognisance of an improving industry scenario on the back of growing data usage, cultural changes in the work environment, and content consumption, necessitating an increased thrust on uninterrupted connectivity.
The ratings strengths are, however, tempered by the continuous decline in revenue from the voice segment, though partially compensated by the growth in the data management services (DMS) segment, and the subdued performance of certain subsidiaries. The ratings remain underpinned by the company's exposure to global regulatory and political uncertainties, the capital-intensive nature of operations, the inherent technological risks, and the increasing competition in the industry. Furthermore, a significant portion of future earnings is envisaged to be re-invested in augmenting the existing network and product offerings of the company over the medium term. Thus, any major debt-funded capital expenditure (capex), leading to a weakening in the capital structure of TCL, will remain a key rating sensitivity.

Rating sensitivities

Positive factors – Factors that could lead to positive rating action/ upgrade:

- Growth in the total operating income (TOI) of more than 10% with the sustenance of the PBILDT margin at 25%.
- Sustenance of the net debt to PBILDT level (including leased liabilities as part of the debt) below 2.0x.

Negative factors – Factors that could lead to negative rating action/ downgrade:

- Any significant additional liabilities than envisaged by the company arising out of the ongoing adjusted gross revenue (AGR) dispute and other regulatory matters, resulting in deterioration in the financial risk profile.
- Any major debt-funded capex or investment, leading to an increase in the net debt/PBILDT (including leased liabilities as part of debt) ratio above 2.50x on a sustained basis and deterioration in the capital structure.
- Overall revenue degrowth, impacting the profitability levels and cash accruals.
- Weakening of linkages with TATA Sons Private Limited (TSPL).

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Outlook: Positive

The outlook for the long-term rating of TCL has been revised from 'Stable' to 'Positive' on account of improvement in the capital structure of the company and sustenance of the PBILDT margin at around 25% level. CARE Ratings Limited (CARE Ratings) expects growth in the revenues of the company amid the rising demand for data following a favourable industry outlook. The outlook may be revised to 'Stable' if the company is unable to leverage the improving demand scenario to increase its TOI with sustenance in PBILDT margin above 25% or pursues aggressive debt-funded capex, deteriorating its net debt/PBILDT ratio beyond 2.0x.

Detailed description of the key rating drivers

Key rating strengths

Strong and resourceful promoter group: TCL is a part of the over US$ 100-billion TATA group, which comprises over 100 operating companies in several business sectors, namely, communications and Information Technology, engineering, materials, services, steel, auto, financial services, energy, consumer products, and chemicals. The group has operations in more than 100 countries across six continents, and its companies export products and services to 85 countries. TCL is one of the largest telecommunication service providers and strategically important companies within the TATA group, being one of the oldest businesses. By virtue of being part of the TATA group, with TSPL holding a 58.86% stake (directly and indirectly), TCL continues to enjoy a high level of financial flexibility including the ability to raise funds from the capital market. Furthermore, post divestment of the GoI's entire shareholding of TCL in FY21, the limitation to raise additional funds by way of equity infusion, in case of any significant capex or investment for suitable business opportunities, is also mitigated.

The company's Board of Directors constitutes industry veterans, including Ms. Re nuka Ramnath, Chairperson, and Mr. AS Lakshminarayanan, MD & CEO. Ms. Ramnath has an experience of over 35 years in financial services across private equity (PE), investment banking, and structured finance; and Mr. Lakshminarayanan is a global techno-commercial leader with over 35 years of industry experience across regions and industries.

Dominant position in the global network with a diversified business profile and an established customer base: The company has a presence in multiple segments, broadly classified into five segments, namely, data, voice, transformation services, payment solutions, and rental business. TCL owns and operates the world's only wholly-owned fibre optic sub-sea network ring around the globe – the TATA Communications' Global Network (TGN). With a presence in more than 190 countries/territories, TCL handles one out of every seven international calls and connects more than 70% of the world's mobile carriers. It is the world's largest wholesale voice provider and powers over 30% of the world's Internet routes. It is also the world's largest wholesale voice provider submarine cable owner on-net mobile signalling and serves over 7,000 customers globally, representing over 300 of the Fortune 500 companies. This global reach, combined with a strong pan-India presence, allows TCL to be a market leader in many of the services it offers.

The focus of the company remains on the data segment in line with industry trends of increasing data consumption. The DMS segment continues to contribute around 76% to the TOI, followed by the voice segment at 14% in FY22. While the business seems concentrated in the data segment, the company offers abundant services in the segment, partly mitigating the risk. TCL has a well-diversified and established customer base and does not earn revenues from any single customer exceeding 10% of the TOI. Furthermore, on a standalone basis, no single customer contributed more than 10% to the DMS revenue and the five major customers in the voice segment contributed around 2.5% of the segment revenue during FY22. The business of the company is spread across geographies, mainly including India (around 43%), the US (around 14%), the UK (around 6%), and Singapore (around 5%).

Stable operational performance: The DMS segment of the company displayed growth of 1.43% during FY22 on a y-o-y basis. While most of the sub-segments under DMS displayed growth in revenue, the overall growth was muted on account of a decline in the revenue generated by the collaborations and Communications Platform as a Service (CPaaS) sub-segment. While this business received a major boost during FY21 on account of the pandemic and remote working culture, during FY22, the traffic got redistributed and moved towards other channels. The company continues to witness an impact on Session Initiation Protocol (SIP) traffic due to a decrease in usage, and intra-segment cannibalisation in line with the management's expectations. While the company displayed growth in revenues in the Indian market, revenue from other parts of the world declined as it faced a high churn of employees, slow order conversions with an average conversion time for large deals increasing by around two months, and price erosion in the international markets, which has impacted the overall revenue generation capabilities of the company.

Other offerings in the DMS segment, such as Cloud and security solutions, media services and incubation, have displayed growth and are expected to grow on account of healthy demand in the industry. TCL renewed its partnership with the Fédération Internationale de l'Automobile (FiA) in March 2022 and became the official broadcast partner for Formula 1. Furthermore, the company has partnered with the Eclat Media group to distribute their newly launched channels pan-Asia and has entered into a strategic engagement in the Middle East for providing smart city solutions.

Comfortable financial risk profile: The TOI of the company marginally declined from ₹17,100 crore during FY21 to ₹16,737 crore during FY22 (a decline of around 2%). The same has been on account of a decline in revenue generated by the voice segment, which displayed a degrowth of around 18% to ₹2,286 crore during FY22 (PY: ₹2,791 crore). Revenue from other segments, namely, payment solutions and the transformation business, also declined on account of the pandemic and other issues.

However, the profitability of the company improved during FY22. The PBILDT margin of TCL increased to 25.27% during FY22, an increase of 70 bps over FY21, on the back of pandemic-related cost savings and operational efficiencies. Although, the same is likely to normalise, with the PBILDT margin expected to hover between 23-24% due to a return to normalcy in working and an increase in operational costs.
The capital structure of the company steadily improved at the end of FY22, following the accretion of profits and scheduled repayments of loans. The total debt of TCL, excluding lease liabilities, stood at ₹7,900 crore as on March 31, 2022, as compared to ₹9,960 crore as on March 31, 2021. Although the debt levels of the company are moderately high, the average cost of borrowing is low, at around 3-4%, as the majority of the debt is in foreign currency raised by international subsidiaries. Furthermore, the company has a natural hedge due to significant revenue and profit in foreign currencies, which helps in saving hedging costs. Post refinancing debt amounting to US$ 850 million in FY21 (earlier repayments due in FY21-22) with a longer tenor (repayments due in FY23-26), the company has now refinanced US$ 150 million (earlier repayment in May 2022) with a longer tenor (repayments in FY25-27) and prepaid US$ 50 million in June 2022, which has led to comfortable debt coverage metrics. The net debt (including lease liabilities) to PBILDT ratio improved from 2.19x as on March 31, 2021, to 1.88x as on March 31, 2022, and the total debt (including lease liabilities) to PBILDT from 2.71x to 2.16x. With the GoI's sale of a stake in FY21, there is no limitation on raising equity as the TATA group (through TSPL holding 58.86% stake, directly and indirectly), became the majority shareholder in the company.

Stable, albeit improving demand outlook: Data has become a key to the growth of the industry, with the average data consumption per subscriber per month displaying a strong growth after the COVID-19 pandemic-induced cultural changes and adoption of work from home and virtual education, among others. Furthermore, Indian consumers are increasingly shifting towards Internet-driven applications such as over-the-top (OTT), Internet protocol television (IPTV), etc, which is boosting investments towards optical fibre cable (OFC) network expansion throughout the country. While mobile networks are constrained by spectrum availability and coverage issues, optical fibre has fewer restrictions. Consequently, the growth opportunity remains very high in the market.
In June 2022, the Union Cabinet approved the proposal for enterprises to acquire spectrum directly from the Department of Telecommunications (DoT) for setting their own isolated captive non-public network (CNPN), the pricing and other modalities for which are yet to be decided. This presents a new set of opportunities for TCL and is expected to provide avenues for the growth of the business. However, the current global economic scenario is volatile and is signalling a slowdown triggered by the Russia-Ukraine war. The same has led to a disruption in the already strained global supply chain and resulted in inflation globally. Furthermore, there are production shortages globally being elevated by geopolitical instability, which has created obstacles in obtaining components, leading to input cost escalations.

Key rating weaknesses

Continued decline in the voice segment and subdued performance of subsidiaries: TCL has remained the largest player in the wholesale voice business globally for over two decades. However, the wholesale international voice market is matured and highly commoditised. With respect to Indian markets, consolidation in the telecom industry has eliminated the market for national long distance (NLD) services, and with major operators building their own undersea cable capacities in cable consortiums and partnerships, continued decline is also expected in the international long distance (ILD) service business. During FY22, TCL handled a total of 14.85 billion minutes of voice traffic, including 14.38 billion minutes of international and 0.47 billion minutes of national voice traffic. The performance of the voice segment is expected to decline going forward due to intense competition and the availability of cheaper substitutes, including the gradual movement of global voice traffic to data-based calling.
The performance in TCL's subsidiary business [including payment solutions (PS) and transformation services (TS)] declined during FY22. The PS business includes providing infrastructure-managed services and incidental activities to the banking sector and is carried out by TCL's wholly-owned subsidiary, TATA Communications Payment Solutions Limited [TCPSL; rated CARE AA+ (CE); Stable/CARE AA- (CE); Stable/A1+ (CE)]. During FY22, the operations of the company continued to remain affected by the second wave of COVID-19, leading to low footfall and a decrease in the TOI as compared to FY21. However, the profitability improved on account of the closure and exit from the non-profitable Brown Label ATM (BLA), the Ministry of Finance (MoF) business, consolidation of the Automated Teller Machine (ATM) market, remodelling of business operations with the inclusion of a franchise model, and hike in interchange fees. The revenue generation capabilities continue to remain constrained on account of the competition from other payment solution technologies.
The TS business includes business transformation, managed network operations, network outsourcing, and consultancy services to telecommunication companies around the world, which is carried out by TATA Communications Transformation Services Limited [TCTSL; rated CARE AA- (CE); Stable/CARE A1+ (CE)]. TCTSL's business was affected in FY20 due to an onerous contract, which affected both, revenue and profitability. While the company got out of this contract and is working towards stabilising the business, the same continued to affect the financials during FY22, leading to a deterioration in profitability with the company making losses at the PBILDT level.

Susceptibility to regulatory and geo-political uncertainties, technology risks and increasing competition: The telecommunication sector globally is surrounded by regulatory uncertainties remaining susceptible to adverse regulatory changes and also continues to face challenges in terms of new technologies being developed. Given the company's global presence, it is subject to geopolitical changes in countries where the company operates. Any changes in the licensing policy and regulatory framework across regions may adversely affect TCL's business prospects. During FY20, the DoT demanded ₹6,633 crore from the company towards license fee and spectrum charges on its AGR dues for the previous 12 years from FY07 to FY18. The above amount also included ₹5,433 crore that was disallowed by the DoT towards the cost adjusted on an accrual

basis instead of actual payments to the gross revenues, against which the company has already submitted a revised statement based on actual payments. The company's appeal on the above charges has not been included in the AGR ruling declared by the Supreme Court on October 24, 2019. Furthermore, the company believes that these licenses are different from the Unified Access Service License (UASL), which was the subject matter of the Supreme Court judgement. The company has responded to the DoT, denying and disputing the amounts claimed by the DoT in the demand cum Show Cause Notice. The company has not received any response from the DoT after the submission. During FY21, the company made a payment of ₹379.51 crore under protest to the DoT. As on March 31, 2022, the total contingent liability towards all the AGR dues including the above demands stood at ₹2,605.08 crore.
The undersea cable is also susceptible to rips and cuts, which may lead to a loss in connectivity for long periods of time, as specialist repair ships can take days to get to the fault site. However, the aforementioned risk is partly mitigated by the company's round-the-globe cable network, a prominent entry barrier, which routes the traffic through alternate routes in instances of network lapse. Other operators are also building up their terrestrial and undersea cable capacities, which may emerge as a significant threat to TCL's business prospects in the long term.

Capital intensive nature of operations: The under-sea cable systems, which carry significant network traffic, are susceptible to replacement/upgradation for technological advancements or alternative cables towards the end of their life. This entails a huge capex outlay vital for the continuity of network traffic. As undersea cable projects are expensive and have a long gestation period (almost three to four years), suitable replacement strategies will be required to be in place at the appropriate time so that the services are not impacted. Furthermore, the inability to replace ageing undersea cables may disrupt connectivity and adversely impact operations.

Liquidity: Strong
The liquidity position of TCL continues to remain strong, with unencumbered liquidity of ₹1,174 crore as on March 31, 2022, including ₹741 crore cash and bank balances and ₹433 crore liquid investments in mutual funds. Against this, the company has around ₹500 crore debt repayments scheduled for FY23. CARE Ratings takes note of the refinancing of US$ 150 million during June 2022, which has since, been shifted and will now be repaid during FY25 to FY27. The utilisation of the fund-based working capital limits of the company remained minimal, at 0.29% for the 12-month period ended April 30, 2022, which provides sufficient liquidity buffer for any contingencies that may arise. The average utilisation of the non-fund-based limits also remained low, at 46% for the 12-month period ended April 30, 2022. Furthermore, the company enjoys a significant level of financial flexibility by virtue of being part of the TATA group.

Analytical approach
A consolidated approach has been adopted on account of common management, shared brand name, and operational linkages between the company and its subsidiaries. The entities considered for consolidating the financials are provided in Annexure-6. Furthermore, comfort has been factored in for TCL being part of the TATA group, by virtue of which the company enjoys a significant level of financial flexibility and access to capital markets.

Applicable criteria
Policy on Default Recognition
Factoring linkages parent sub JV group
Financial ratios – Non-financial sector
Liquidity analysis of non-financial sector entities
Rating outlook and credit watch
Short-term instruments
Issuer rating
Service sector companies
Infrastructure sector ratings

About the company
The company was incorporated on March 19, 1986, as Videsh Sanchar Nigam Limited (VSNL) (a wholly-owned government entity). After the transfer of all the assets and liabilities of the Overseas Communications Service (OCS) business of DoT to VSNL w.e.f April 01, 1986, the TATA group acquired 50% stake in the company during 2002 and changed its name to TCL during 2008. In March 2021, the GoI divested its entire equity shareholding of 26.12%, of which, 16.12% was sold to the general public, while the balance 10% was sold to Panatone Finvest Limited (PFL; a wholly-owned subsidiary of TSPL), through an off-market inter se transfer of shares between promoters. As on March 31, 2022, the TATA group holds a 58.86% stake, while the balance 41.14% is held by the public.
TCL owns and operates the world's only wholly-owned fibre optic sub-sea network ring around the globe and is the world's largest wholesale voice provider. It offers international and national voice and data transmission services, selling and leasing of bandwidth on undersea cable systems, Internet dial up, and broadband services and other value-added services comprising mainly mobile global roaming and signalling services, transponder lease, telex and telegraph, and television up linking.
TCL businesses are primarily divided into the following segments: DMS, Voice Services (VS), transformation services, payment solutions and real estate.

Brief Financials (Consolidated; ₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23 (UA)
TOI	17,100.10	16,737.32	NA
PBILDT	4,201.69	4,228.75	NA
PAT	1,251.52	1,484.67	NA
Overall gearing* (times)	NM	10.76	NA
Interest coverage (times)	10.00	11.74	NA

A: Audited; UA: Unaudited; NA: Not available; NM: Not meaningful.
*including lease liabilities.
Note: The financials have been classified as per CARE Ratings' internal standards.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - ST-Working capital limits	-	-	-	-	282.00	CARE A1+
Non-fund-based - ST-BG/LC	-	-	-	-	625.00	CARE A1+
Fund-based/Non-fund-based-Short term	-	-	-	-	120.00	CARE A1+
Non-fund-based - LT-Bank guarantee	-	-	-	-	190.00	CARE AA+; Positive
Issuer rating-Issuer rating	-	-	-	-	0.00	CARE AA+ (Is); Positive
Debentures-Non-convertible debentures	INE151A07051	April 17, 2020	7.48%	April 19, 2023	525.00	CARE AA+; Positive

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1.	Issuer rating-Issuer rating	Issuer rating	0.00	CARE AA+ (Is); Positive	-	1)CARE AA+ (Is); Stable (July 16, 2021)	1)CARE AA+ (Is); Stable (July 17, 2020)	1)CARE AA+ (Is); Stable (July 05, 2019)
2.	Debentures-Non-convertible debentures	LT	-	-	-	-	1)Withdrawn (April 14, 2020)	1)CARE AA+; Stable (05-Jul-19)
3.	Fund-based - ST-Working capital limits	ST	282.00	CARE A1+	-	1)CARE A1+ (July 16, 2021)	1)CARE A1+ (18-Jan-21) 2)CARE A1+ (July 17, 2020)	1)CARE A1+ (January 21, 2020) 2)CARE A1+ (July 05, 2019)
4.	Non-fund-based - ST-BG/LC	ST	625.00	CARE A1+	-	1)CARE A1+ (July 16, 2021)	1)CARE A1+ (January 18, 2021) 2)CARE A1+ (July 17, 2020)	1)CARE A1+ (January 21, 2020) 2)CARE A1+ (July 05, 2019)
5.	Debentures-Non-convertible debentures	LT	-	-	-	-	1)Withdrawn (April 14, 2020)	1)CARE AA+; Stable (July 05, 2019)
6.	Fund-based/Non-fund-based-Short term	ST	120.00	CARE A1+	-	1)CARE A1+ (July 16, 2021)	1)CARE A1+ (January 18, 2021) 2)CARE A1+ (July 17, 2020)	1)CARE A1+ (January 21, 2020) 2)CARE A1+ (July 05, 2019)
7.	Non-fund-based - LT-Bank guarantee	LT	190.00	CARE AA+; Positive	-	1)CARE AA+; Stable (July 16, 2021)	1)CARE AA+; Stable (January 18, 2021) 2)CARE AA+; Stable (July 17, 2020)	1)CARE AA+; Stable (January 21, 2020)
8.	Debentures-Non-convertible debentures	LT	525.00	CARE AA+; Positive	-	1)CARE AA+; Stable (July 16, 2021)	1)CARE AA+; Stable (July 17, 2020) 2)CARE AA+; Stable (April 14, 2020)	-

* LT/ST: Long term/short term

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Name of the Instrument	Detailed Explanation
A. Financial covenants	
I. EBITDA/net interest expense ratio	EBITDA/net interest expense ratio >= 3.50:1
II. Net debt/EBITDA ratio	For any financial year where the ratio of net debt to EBITDA is greater than 3.00:1, net debt will not, at any time during that relevant period, exceed US$ 2.5 billion
III. Net fixed assets/net debt ratio	Net fixed assets/net debt ratio >=1.00x
B. Non-financial covenants	
I. Minimum shareholding	TATA group to retain at least 26% shareholding
II. Management control	TATA group to retain management control directly or indirectly

Annexure-4: Complexity level of the various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1.	Debentures-Non convertible debentures	Simple
2.	Fund-based - ST-Working capital limits	Simple
3.	Fund-based/Non-fund-based-Short term	Simple
4.	Issuer rating-Issuer rating	Simple
5.	Non-fund-based - LT-Bank guarantee	Simple
6.	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Bank lender details for this company

To view the lender-wise details of the bank facilities, please click here.

Annexure-6: List of entities forming a part of the consolidated financials (as on March 31, 2022)

Sr. No.	Name of Company/Entity	% Stake
	Subsidiaries (held directly)	
1.	TATA Communications Transformation Services Ltd	100.00
2.	TATA Communications Collaboration Services Pvt Ltd	100.00
3.	TATA Communications Payment Solutions Ltd	100.00
4.	TATA Communications Lanka Ltd	90.00
5.	TATA Communications International Pte. Ltd	100.00
6.	TC IOT Managed Solutions Ltd (Struck off w.e.f January 13, 2022)	-
	Subsidiaries (held indirectly)	
1.	TATA Communications (Bermuda) Ltd	100.00
2.	TATA Communications (Netherlands) BV	100.00
3.	TATA Communications (Hong Kong) Ltd	100.00
4.	ITXC IP Holdings S.A.R.L.	100.00
5.	TATA Communications (America) Inc	100.00
6.	TATA Communications Services (International) Pte Ltd	100.00
7.	TATA Communications (Canada) Ltd	100.00
8.	TATA Communications (Belgium) S.R.L.	100.00
9.	TATA Communications (Italy) S.R.L	100.00
10.	TATA Communications (Portugal) Unipessoal LDA	100.00
11.	TATA Communications (France) SAS	100.00
12.	TATA Communications (Nordic) AS	100.00
13.	TATA Communications (Guam) L.L.C.	100.00
14.	TATA Communications (Portugal) Instalacao E Manutencao De Redes LDA	100.00
15.	TATA Communications (Australia) Pty Ltd	100.00
16.	TATA COMMUNICATIONS SVCS PTE Ltd	100.00
17.	TATA Communications (Poland) SP.Z.O.O	100.00
18.	TATA Communications (Japan) K.K.	100.00
19.	TATA Communications (UK) Ltd	100.00
20.	TATA Communications Deutschland GMBH	100.00
21.	TATA Communications (Middle East) FZ-LLC	100.00
22.	TATA Communications (Hungary) KFT	100.00
23.	TATA Communications (Ireland) DAC	100.00
24.	TATA Communications (Russia) LLC	99.90
25.	TATA Communications (Switzerland) GmbH	100.00
26.	TATA Communications (Sweden) AB	100.00
27.	TCPOP Communication GmbH	100.00
28.	TATA Communications (Taiwan) Ltd	100.00
29.	TATA Communications (Thailand) Ltd	100.00
30.	TATA Communications (Malaysia) Sdn. Bhd.	100.00
31.	TATA Communications (New Zealand) Ltd	100.00
32.	TATA Communications (Spain) S.L	100.00
33.	TATA Communications (Beijing) Technology Ltd	100.00
34.	SEPCO Communications (Pty) Ltd	73.17
35.	VSNL SNOSPV Pte. Limited (SNOSPV)	100.00
36.	TATA Communications (South Korea) Ltd	100.00
37.	TATA Communications Transformation Services (Hungary) Kft.	100.00
38.	TATA Communications Transformation Services Pte Ltd	100.00
39.	TATA Communications Comunicações E Multimídia (Brazil) Limitada	100.00
40.	TATA Communications Transformation Services South Africa (Pty) Ltd	100.00
41.	TATA Communications Transformation Services (US) Inc	100.00
42.	Nexus Connexion (SA) Pty Limited	100.00
43.	TATA Communications (Brazil) Participacoes Limitada	100.00
44.	TATA Communications MOVE B.V.	100.00
45.	TATA Communications MOVE Nederland B.V.	100.00
46.	TATA Communications MOVE UK Limited (striked off on March 01, 2022)	-
47.	MuCoso B.V.	100.00
48.	NetFoundry Inc.	100.00
49.	TCTS Sénégal Limited	100.00
50.	OASIS Smart SIM Europe SAS	58.10
51.	Oasis Smart E-Sim Pte Ltd	58.10

Sr. No.	Name of Company/Entity	% Stake
	Associates	
1.	United Telecom Ltd	26.66
2.	STT Global Data Centres India Pvt Ltd.	26.00
3.	Smart ICT Services Private Ltd	24.00

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

Media contact
Name: Mradul Mishra
Phone: +91-22-6754 3596
E-mail: mradul.mishra@careedge.in

Analyst contact
Name: Harish Kumar Chellani
Phone: +91-22-6837 4472
E-mail: harish.chellani@careedge.in

Relationship contact
Name: Saikat Roy
Phone: +91-98209 98779
E-mail: saikat.roy@careedge.in

About us:
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

For the detailed Rationale Report and subscription information, please visit www.careedge.in