TATA Communications Limited (Revised)

February 27, 2024

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	0.00	-	Withdrawn
Short-term bank facilities	1,792.00 (Enhanced from 1,072.00)	CARE A1+	Reaffirmed
Issuer rating	0.00	CARE AAA; Stable	Reaffirmed
Non-convertible debentures	1,750.00	CARE AAA; Stable	Reaffirmed
Short-term instruments	875.00 (Reduced from 925.00)	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

For arriving at ratings of TATA Communications Limited (TCL), CARE Ratings Limited (CARE Ratings) has adopted a combination of full and partial consolidation of TCL, its subsidiaries, and associate companies. Reaffirmation of ratings assigned to bank facilities and non-convertible debentures (NCDs) of TCL consider company's product-to-platform shift to provide digital solutions, in addition to its core connectivity business offering to enterprise customers. This has resulted in steady improvement in company's operational and financial performances, leading to a strong financial risk profile. CARE Ratings notes moderation in leverage marked by net debt/profit before interest, lease rentals, depreciation and taxation (PBILDT) of 2.21 in 9MFY24 (refers to the period April 1 to December 31) in line with its earlier expectations owing to acquisition of Kaleyra Inc (Kaleyra). With expected synergies from acquisitions, PBILDT is expected to expand, resulting net debt (including lease liabilities) to PBILDT ratio to be below 2.0x by FY25 and thus remains a key rating monitorable.

TCL's established customer base and significant presence in core connectivity, combined with company's strategy to provide digital solutions in various verticals, such as Cloud, NextGen Connectivity, Media, Collaboration and Connected solutions, aimed at business diversification, while uplifting its niche market position, are other credit strengths.

The industry is expected to display healthy growth, supported by burgeoning data traffic. In CARE Ratings' opinion, TCL is well-placed in the market to capture the same. Consequently, TCL is expected to focus on Data Management Services (DMS) segment and foray deeper into the Digital Platform and Services (DPS) sub-segment, leading to double-digit growth through organic and inorganic expansion. CARE Ratings notes the series of acquisitions by TCL, including Switch Enterprises LLP, closed in May 2023 (funded through internal accruals), and Kaleyra Inc, closed in October 2023 (funded through debt). CARE Ratings believes that TCL will continue to pursue similar inorganic growth opportunities without any significant deterioration in solvency ratios in the medium term while retaining its niche market position. With majority shareholding of TATA Sons (TS)[@] (58.86% as on December 31, 2023), CARE Ratings expects TCL to continue to enjoy high financial flexibility, wider access to capital markets and need-based support from the promoter group.

However, rating strengths are tempered by a moderate 6% growth in overall revenues (excluding acquisitions) for 9MFY24, marked by a steady decline in voice solutions and service provider (wholesale) segment in Core Connectivity revenue, although partially offset by growth in the DMS segment. CARE Ratings understands that most of the short-term growth is expected from the existing order pipeline of DMS vertical, while acquisition-led growth of 15% is visible with acquisition of SWITCH and Kaylera in 9MFY24, synergies benefits are yet to be attained. Hence, TCL is exposed to inherent risk related to successful integration of large-sized acquisitions.

Ratings remain underpinned by company's exposure to global regulatory uncertainties, capital-intensive nature of operations, especially in core connectivity segment, inherent technological risks, and rising industry competition in TCL's various business subsegments. CARE Ratings takes cognisance of the revised show-cause-cum-demand notices w.r.t the adjusted gross revenue (AGR) dues received by TCL in FY23, leading to a steep increase in contingent liabilities from previous year. Nevertheless, management's articulation to rely on monetising its surplus real estate holdings and promoter's need-based support, in case of crystallisation of large contingent liabilities, thus maintaining a leverage below the threshold level of 2.0x on a sustained basis, largely mitigate the aforementioned risks.

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications.
@ TS refers to TATA Sons Private Limited (TSPL, holding 14.07% as on March 31, 2023) and Panatone Finvest Limited (PFL, holding 44.80% as on March 31, 2023).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors
Not applicable

Negative factors
- Major debt-funded capex or investment or crystallisation of contingent liabilities, leading to an increase in the net debt/PBILDT (including leased liabilities as part of debt) ratio above 2.0x on a sustained basis.
- Reduction in the shareholding of TS[@] to less than 51%.
- Weakening of linkages with TATA Sons Private Limited.

Analytical approach: Consolidated

A consolidated approach has been adopted due to common management, shared brand name and operational linkages between the company and its subsidiaries. Entities considered for consolidating financials are provided in Annexure-6. 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.

Outlook: Stable

TCL is expected to sustain its strong financial risk profile on the back of expected growth in its revenues and operating profitability through organic and inorganic means amid rising demand for data, following a favourable industry outlook. TCL is expected to continue re-investing substantial earnings in augmenting product offerings across business verticals.

Detailed description of the key rating drivers

Key strengths

Strong and resourceful promoter group

TCL is a part of the more than US$ 100-billion TATA group, comprising 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, with its companies exporting products and services to 85 countries. Being one of the oldest businesses within TATA group, TCL is one of the largest telecommunication service providers and group's strategically important company. 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. TCL is TATA group's strategic investment, and 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.

Dominant position in the global network with a diversified business profile and an established customer base

The company has a notable 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 and 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 powering over 25% of world's internet routes. It is also the world's largest wholesale voice provider submarine cable owner on-net mobile signalling, serving 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.

Company's focus remains on enterprise customers in the data segment, which is in line with industry trends of increasing data consumption. DMS segment continues to contribute around 81% to the total operating income (TOI), followed by the voice segment at 8% in 9MFY24. While business seems concentrated in the data segment, company offers various services within 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. On a standalone basis, no single customer contributed more than 10% to the DMS revenue, and five major customers in the voice segment contributed around 2.5% of the segment revenue in 9MFY24. Company's business is spread across geographies, mainly including India (around 44%), the US (around 14%), the UK (around 7%), and Singapore (around 5%).

Improving operational performance

Company's DMS segment displayed a revenue growth of 20.14% in 9MFY24 on a y-o-y basis with growth in most of the sub-segments including acquisitions. Most of this growth was derived from the enterprise core connectivity, cloud, hosting, and

security services and incubation services. While company's Core Connectivity has displayed stable growth over the years, the DPS business, including bundled services provided by the company on top of core connectivity, has grown significantly. This growth is backed by increasing data requirement by enterprises shifting to Cloud platforms and requirement for data security and management of the same. TCL seeks to increase the share of DPS sub-segment in DMS segment to 50% by FY27 as against 40% for 9MFY24, through organic and inorganic expansion, for which the company has planned targeted acquisitions expected to boost revenue and provide deeper penetration, new business opportunities, and a greater brand presence in global markets.
However, its overall PBILDT margin is likely to moderate to around 20%-21% due to absorption of integration costs. Company's ability to successfully integrate and leverage the already existing customers of target companies for upselling remains a key monitorable. Additionally, after stabilisation of operations post-COVID-19, the order conversion is expected to gradually normalise, and with a strong order book and efficient logistics management, CARE Ratings expects stability in operations for the long term.

Expected growth in scale of operations notwithstanding inherent challenges in inorganic growth
In DMS portfolio, core connectivity contributed 68%, followed by DPS and incubation services at 29% and 3%, respectively. While TCL endeavours to improve revenue contribution of DPS to 50% through organic and inorganic growth, Core Connectivity exhibits a single-digit growth of 6% due to a declining trend in the off-take from service providers (wholesale), which is being offset by a healthy growth in the enterprise segment. Company's TOI increased by around 7% in FY23 on the back of healthy demand and stabilisation of operations post subsiding of obstacles faced in FY22. With this stabilisation, average conversion time for deals has decreased and the company has been able to build a strong order book, leading to revenue visibility. Company's major growth driver remained the DMS segment, which displayed a y-o-y growth of 10.30%.

TCL's PBILDT margin marginally moderated to 24.14% in FY23 (25.27% in FY22) due to changes in the product mix, increasing input costs amid continued supply chain issues, and an increase in employee expenses. Going forward, the PBILDT margin, although expected to moderate due to planned acquisitions entailing recurrent integration costs, will continue to remain healthy at around 20-21%. TCL reported growth of around 15% in the TOI in 9MFY24 as compared to 9MFY23 with a PBILDT margin of 20.77%, in line with CARE Ratings' expectations.

Improving performance of subsidiaries
TCL's subsidiary businesses' (including payment solutions [PS] and transformation services [TS]) performance improved in FY23 and 9MFY24. 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; Stable/CARE A1+'). In FY23, company's operations stabilised with an increase in revenue and profitability on the back of the remodelling of business operations with the inclusion of a franchise model. However, revenue generation capabilities continue to remain constrained due to competition from other payment solution technologies.

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; Stable/CARE A1+'). TCTSL's business was affected in FY20 due to an onerous contract, which affected both, revenue and profitability. The company exited this contract in FY21 and could stabilise its operations in FY23 with an improvement in profitability and achieving positive PBILDT.

Favourable demand outlook
With the average data consumption per subscriber per month displaying a strong growth post COVID-19 pandemic-induced cultural changes and adoption of work-from-home and virtual education, data has become a key growth enabler of the industry. Data requirement has significantly increased due to internet-driven applications such as over-the-top (OTT), and internet protocol television (IPTV), among others, coupled with advancement of media quality and technology. With global digitisation, data requirement by enterprises has also increased with the demand for Cloud and other managed network services, thereby boosting investments towards optical fibre cable (OFC) network expansion throughout the country. Thus, fibre has become extremely vital for supporting the burgeoning data traffic. As TCL already has a large network of subsea cable and terrestrial cable network in India, company's growth opportunity remains high.

However, consolidation of telecommunication service providers in India, with competitors setting up their own OFC infrastructure, has resulted in a decline in TCL's service provider Core Connectivity and National Long Distance (NLD) business. The NLD business is low-margin owing to prevailing low prices in the industry, and the company also expects contribution from this segment to be minimal in future. Resultantly, the company continues to focus on the Enterprise segment, which will help it retain its market position. While the global economic scenario remains volatile due to the geo-political turmoil, CARE Ratings notes that TCL has been able to maintain stability in the procurement of equipment through the efficient management of its supply chain and advance order placement through forecasting.

Key weaknesses

Susceptibility to regulatory and geo-political uncertainties, technology risks and increasing competition

The telecommunication sector globally is surrounded by industry-specific regulatory uncertainties and continues to face challenges in terms of new technologies being developed. Given its global presence, TCL is subject to geo-political changes. Any changes in the licensing policy and regulatory framework across regions may adversely affect TCL's business prospects.

Installation of low-earth orbit satellites is being explored to deliver affordable communication services across the globe. However, the same, at present, does not seem a viable alternative to fibre, due to it being expensive to be deployed, time-consuming, and other challenges that arise in satellite communications, including susceptibility of network outages because of bad weather conditions and unviability of operations. However, considering unforeseen technological advancements to grow and remain competitive, TCL will be required to adapt to these changes and make investments in research and development (R&D).

The undersea cable is also susceptible to physical disruptions, which may lead to loss in connectivity for prolonged periods of time, as repair works will not be instantaneous. However, the aforementioned risk is partly mitigated by company's round-the-globe cable network, which routes the traffic though alternative routes in instances of network disruptions. Emergence of other telecommunication service providers in building-up terrestrial and undersea cable capacities will pose a threat to TCL's competitive positioning. However, the same is expected to take time, as laying fibre has a long lead time of three to four years, and managing the operations requires considerable experience, which acts as a potent entry barrier.

Capital-intensive nature of operations

Under-sea cable systems, which carry significant network traffic, is susceptible to replacement and upgradation for technological advancements or alternative cables towards the end of their life. This entails a huge capex outlay vital for 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 appropriate times, so that services are not impacted. The inability to replace ageing undersea cables may disrupt connectivity and adversely impact the operations.

Moderation in the leverage albeit remains comfortable

Company's capital structure remained robust with improvement in FY23 due to accretion of profits and scheduled repayments. TCL's total debt (TD) stood at ₹8,580 crore as on March 31, 2023, against net worth of ₹1,434 crore as on March 31, 2023. Although company's debt levels are moderately high, average cost of borrowings is low, at around 4-5%, as majority of the debt is foreign currency raised by international subsidiaries. Moreover, the company has a natural hedge due to significant revenue and profit in foreign currencies, thus saving hedging costs. The interest coverage remained strong at 9.98x in FY23, while the net debt to PBILDT ratio improved from 3.09x as on March 31, 2019, to 1.58x as on March 31, 2023.

Interest coverage ratio moderated to 6.96x for 9MFY24 primarily due to elevated levels of debt arising from the acquisitions along with increase in benchmark rates. The net debt (including lease liabilities) to PBILDT moderated to 2.21x as on December 31, 2023 due to increase in debt level because of acquisition of Kaleyra Inc (Kaleyra) in Q3FY24 and moderation in PBILDT margin. With expected synergies from acquisitions, PBILDT is expected to improve which will result in net debt (including lease liabilities) to PBILDT ratio to be below 2.0x by FY25, and thus remains a key rating monitorable.

Liquidity: Superior

TCL has superior liquidity with an unencumbered liquidity of ₹1,017 crore as on December 31, 2023. Against this, the company has ₹2,541 crore debt repayments scheduled for FY24, of which, the company has already repaid NCDs of ₹525 crore in April 2023 and refinanced US$ 200 million (around ₹1,650 crore), leaving only around ₹400 crore repayments for the remainder of FY24. Utilisation of company's fund-based working capital limits largely remained minimal (at 0.70% for the 12-month period ended May 31, 2023), which provides a sufficient liquidity buffer for any exigencies that may arise. Average utilisation of non-fund-based bank limits also remained low at 34% for the 12-month period ended May 31, 2023. The company enjoys a significant level of financial flexibility by virtue of being part of the TATA Group.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

Environment	The company is taking measures to be carbon neutral by FY30 and net zero by FY35. This apart, the company aims to become water neutral and zero waste to landfill by FY27 and have a customer greenhouse gases (GHG) emission reduction potential of 20x emission by FY27.

Social	The company is taking initiatives such as the Project School of Hope & Empowerment (S.H.E) through which 3 million women live positively impacted. Moreover, through project Nanner, the company has restored lake water in Chennai and planted 6,000 native trees since September 2022.
Governance	Sound governance practices with strong management well versed in ESG parameters and various other factors. The level of compliance with various policies remains strict with good quality financial reporting and publishing of adequate disclosure from the perspective of corporate governance.

Applicable criteria:

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Withdrawal Policy
Infrastructure Sector Ratings
Short Term Instruments
Issuer Rating
Consolidation
Factoring Linkages Parent Sub JV Group
Service Sector Companies

About the company and industry
Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Telecommunication	Telecommunication	Telecom - services	Telecom - Cellular & fixed line services

The company was incorporated on March 19, 1986, as Videsh Sanchar Nigam Limited (VSNL) (a wholly-owned government entity). After transfer of all assets and liabilities of the Overseas Communications Service (OCS) business of the Department of Telecommunications (DoT) to VSNL w.e.f April 01, 1986, the TATA group acquired 50% stake in the company in 2002 and changed its name to TCL in 2008. In March 2021, the Government of India (GoI) divested its entire equity shareholding of 26.12%, of which 16.12% was sold to general public, while balance 10% was sold to Pantone Finvest Limited (PFL; a wholly-owned subsidiary of TSPL) through an off-market inter se transfer of shares between promoters. As on December 31, 2023, TS holds a 58.86% stake, while balance 41.14% is held by 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's businesses are primarily divided into following segments: DMS, voice services (VS), transformation services, payment solutions, and real estate.

Brief Financials (Consolidated) (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	9MFY24 (UA)
Total operating income	16,737	17,879	15,277
PBILDT	4,229	4,316	3,174
PAT	1,485	1,801	648
Overall gearing (times)*	10.76	5.98	NA
Interest coverage (times)	11.74	9.98	6.96

*Includes lease liabilities.
A: Audited; UA: Unaudited; NA; Not available.
Note: The above results are latest financial results available.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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

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

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

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
Debentures-Non-convertible debentures	INE151A08349	29-08-2023	7.75	29-08-2026	1,750.00	CARE AAA; Stable
Fund-based - ST-Working capital limits		-	-	-	377.55	CARE A1+
Fund-based/Non-fund-based-Short term		-	-	-	1,115.99	CARE A1+
Issuer rating-Issuer ratings		-	-	-	0.00	CARE AAA; Stable
Loan-Short term		-	-	-	875.00	CARE A1+
Non-fund-based - LT-Bank Guarantee		-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC		-	-	-	298.46	CARE A1+

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 2023-2024	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
1	Issuer rating-Issuer ratings	Issuer rating	0.00	CARE AAA; Stable	1)CARE AAA; Stable (05-Oct-23) 2)CARE AAA; Stable (08-Aug-23) 3)CARE AAA; Stable (14-Jul-23)	1)CARE AA+; Positive (26-Dec-22) 2)CARE AA+ (Is); Positive (15-Jul-22)	1)CARE AA+ (Is); Stable (16-Jul-21)	1)CARE AA+ (Is); Stable (17-Jul-20)
2	Debentures-Non-convertible debentures	LT	-	-	-	-	-	1)Withdrawn (14-Apr-20)
3	Fund-based - ST-Working capital limits	ST	377.55	CARE A1+	1)CARE A1+ (05-Oct-23) 2)CARE A1+ (08-Aug-23)	1)CARE A1+ (15-Jul-22)	1)CARE A1+ (16-Jul-21)	1)CARE A1+ (18-Jan-21) 2)CARE A1+ (17-Jul-20)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type*	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	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
					3)CARE A1+ (14-Jul-23)			
4	Non-fund-based - ST-BG/LC	ST	298.46	CARE A1+	1)CARE A1+ (05-Oct-23) 2)CARE A1+ (08-Aug-23) 3)CARE A1+ (14-Jul-23)	1)CARE A1+ (15-Jul-22)	1)CARE A1+ (16-Jul-21)	1)CARE A1+ (18-Jan-21) 2)CARE A1+ (17-Jul-20)
5	Debentures-Non-convertible debentures	LT	-	-	-	-	-	1)Withdrawn (14-Apr-20)
6	Fund-based/Non-fund-based-Short term	ST	1115.99	CARE A1+	1)CARE A1+ (05-Oct-23) 2)CARE A1+ (08-Aug-23) 3)CARE A1+ (14-Jul-23)	1)CARE A1+ (15-Jul-22)	1)CARE A1+ (16-Jul-21)	1)CARE A1+ (18-Jan-21) 2)CARE A1+ (17-Jul-20)
7	Non-fund-based - LT-Bank guarantee	LT	-	-	1)CARE AAA; Stable (05-Oct-23) 2)CARE AAA; Stable (08-Aug-23) 3)CARE AAA; Stable (14-Jul-23)	1)CARE AA+; Positive (15-Jul-22)	1)CARE AA+; Stable (16-Jul-21)	1)CARE AA+; Stable (18-Jan-21) 2)CARE AA+; Stable (17-Jul-20)
8	Debentures-Non-convertible debentures	LT	-	-	1)Withdrawn (14-Jul-23)	1)CARE AA+; Positive (19-Jan-23) 2)CARE AA+; Positive (15-Jul-22)	1)CARE AA+; Stable (16-Jul-21)	1)CARE AA+; Stable (17-Jul-20) 2)CARE AA+; Stable (14-Apr-20)
9	Debentures-Non-convertible debentures	LT	1750.00	CARE AAA; Stable	1)CARE AAA; Stable (05-Oct-23)	-	-	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type*	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	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
					2)CARE AAA; Stable (08-Aug-23)			
10	Loan-Short term	ST	875.00	CARE A1+	1)CARE A1+ (05-Oct-23)	-	-	-

*LT/ST: Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the 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 ratings	Simple
5	Loan-Short term	Simple
6	Non-fund-based - ST-BG/LC	Simple
7	Non-fund-based - LT-Bank guarantee	Simple

Annexure-5: Lender details

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

Note on the 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.

Annexure-6: List of entities forming part of the consolidated financials (as on December 31, 2023)

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Tata Communications (America) Inc	Full consolidation	Subsidiary
2	Tata Communications (Australia) Pty Limited	Full consolidation	Subsidiary
3	Tata Communications (Beijing) Technology Limited	Full consolidation	Subsidiary
4	Tata Communications (Belgium) SRL	Full consolidation	Subsidiary
5	Tata Communications (Bermuda) Limited	Full consolidation	Subsidiary
6	Tata Communications (Brazil) Participacoes Limitada	Full consolidation	Subsidiary
7	Tata Communications (Canada) Ltd	Full consolidation	Subsidiary
8	Tata Communications (France) Sas	Full consolidation	Subsidiary
9	Tata Communications (Guam) L.L.C.	Full consolidation	Subsidiary
10	Tata Communications (Hong Kong) Limited	Full consolidation	Subsidiary
11	Tata Communications (Hungary) KFT	Full consolidation	Subsidiary
12	Tata Communications (Ireland) Dac	Full consolidation	Subsidiary
13	Tata Communications (Italy) S.R.L	Full consolidation	Subsidiary
14	Tata Communications (Japan) K.K.	Full consolidation	Subsidiary
15	Tata Communications (Malaysia) Sdn. Bhd.	Full consolidation	Subsidiary

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
16	Tata Communications (Middle East) Fz-LLC	Full consolidation	Subsidiary
17	Tata Communications (Netherlands) B.V.	Full consolidation	Subsidiary
18	Tata Communications (New Zealand) Limited	Full consolidation	Subsidiary
19	Tata Communications (Nordic) As	Full consolidation	Subsidiary
20	Tata Communications (Poland) Sp. Z O. O.	Full consolidation	Subsidiary
21	Tata Communications (Portugal) Instalação E Manutenção De Redes, Lda	Full consolidation	Subsidiary
22	Tata Communications (Portugal), Unipessoal Lda	Full consolidation	Subsidiary
23	Tata Communications (Russia) LLC.	Full consolidation	Subsidiary
24	Tata Communications (South Korea) Limited	Full consolidation	Subsidiary
25	Tata Communications (Spain), S.L.	Full consolidation	Subsidiary
26	Tata Communications (Sweden) Ab	Full consolidation	Subsidiary
27	Tata Communications (Switzerland) Gmbh	Full consolidation	Subsidiary
28	Tata Communications (Taiwan) Ltd	Full consolidation	Subsidiary
29	Tata Communications (Thailand) Limited	Full consolidation	Subsidiary
30	Tata Communications (Uk) Limited	Full consolidation	Subsidiary
31	Tata Communications Collaboration Services Pvt Limited	Full consolidation	Subsidiary
32	Tata Communications Comunicações E Multimídia (Brazil) Limitada	Full consolidation	Subsidiary
33	Tata Communications Deutschland Gmbh	Full consolidation	Subsidiary
34	Tata Communications International Pte. Ltd.	Full consolidation	Subsidiary
35	Tata Communications Lanka Limited	Full consolidation	Subsidiary
36	Tata Communications Move B.V.	Full consolidation	Subsidiary
37	Tata Communications Move Nederland B.V.	Full consolidation	Subsidiary
38	Tata Communications Payment Solutions Limited	Full consolidation	Subsidiary
39	Tata Communications Services (International) Pte. Ltd.	Full consolidation	Subsidiary
40	Tata Communications Svcs Pte Ltd	Full consolidation	Subsidiary
41	Tata Communications Transformation Services (Hungary) Kft	Full consolidation	Subsidiary
42	Tata Communications Transformation Services (Us) Inc	Full consolidation	Subsidiary
43	Tata Communications Transformation Services Limited	Full consolidation	Subsidiary
44	Tata Communications Transformation Services Pte Limited	Full consolidation	Subsidiary
45	Tata Communications Transformation Services South Africa (Pty) Ltd	Full consolidation	Subsidiary
46	Tcpop Communication Gmbh	Full consolidation	Subsidiary
47	Tcts Senegal Limited	Full consolidation	Subsidiary
48	Vsnl Snospv Pte. Ltd.	Full consolidation	Subsidiary
49	Itxc Ip Holdings S.A.R.L.	Full consolidation	Subsidiary
50	Mucoso B.V.	Full consolidation	Subsidiary
51	Netfoundry Inc	Full consolidation	Subsidiary
52	Nexus Connexion (Sa) Pty Limited	Full consolidation	Subsidiary
53	Sepco Communications (Pty) Limited	Full consolidation	Subsidiary
54	Oasis Smart Sim Europe SAS	Full consolidation	Subsidiary
55	Oasis Smart E-Sim Pte. Ltd	Full consolidation	Subsidiary
56	The Switch Enterprises L.L.C.	Full consolidation	Subsidiary
57	TC Middle East Technology Services L.L.C.	Full consolidation	Subsidiary
58	Kaleyra Inc	Full consolidation	Subsidiary
59	Kaleyra SPA	Full consolidation	Subsidiary
60	Solutions Infini Technologies (India) Private Limited	Full consolidation	Subsidiary

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
61	Solutions Infiny FZ LLC	Full consolidation	Subsidiary
62	BUC Mobile INC	Full consolidation	Subsidiary
63	Campaign Registry Inc (US)	Full consolidation	Subsidiary
64	Campaign Registry Inc (Canada)	Full consolidation	Subsidiary
65	Kaleyra Africa Ltd	Full consolidation	Subsidiary
66	Kaleyra US Inc	Full consolidation	Subsidiary
67	Kaleyra Dominicana, S.R.L	Full consolidation	Subsidiary
68	Kaleyra UK Limited	Full consolidation	Subsidiary
69	Mgage Athens PC	Full consolidation	Subsidiary
70	Mgage SA de CV	Full consolidation	Subsidiary
71	STT Global Data Centres India Private Limited	Partial consolidation	Associate
72	Smart ICT Services Private Limited	Partial consolidation	Associate
73	United Telecom Limited	Partial consolidation	Associate

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