TATA Communications Transformation Services Limited

November 23, 2021

Ratings

Facilities*	Amount (Rs. crore)	Rating[1]	Rating Action
Long-term / Short-term Bank Facilities	50.00 (Enhanced from 5.00)	CARE AA- (CE)^; Stable / CARE A1+ (CE)^ [Double A Minus (Credit Enhancement); Outlook: Stable/ A One Plus (Credit Enhancement)]	Final Rating Confirmed
Long-term / Short-term Bank Facilities	180.00	CARE AA- (CE)^; Stable / CARE A1+ (CE)^ [Double A Minus (Credit Enhancement); Outlook: Stable/ A One Plus (Credit Enhancement)]	Reaffirmed
Short-term Bank Facilities	65.00	CARE A1+ (CE)^ [A One Plus (Credit Enhancement)]	Reaffirmed
Total Bank Facilities	**295.00 (Rs. Two hundred ninety five crore only)**		

* Details of facilities in Annexure-1

^ backed by credit enhancement in the form of Letter of Comfort (LoC) from TATA Communications Limited (TCL, rated 'CARE AA+; Stable/ CARE AA+ (Is); Stable / CARE A1+').

Un-Supported Ratings	**CARE A+ / CARE A1 (Single A Plus / A One) [Reaffirmed]**

Note: Unsupported Ratings do not factor in the explicit credit enhancement

Detailed Rationale & Key Rating Drivers for the credit enhanced debt

The ratings of the bank facilities of TATA Communications Transformation Services Limited (TCTSL) factor in the credit enhancement in the form of LoC extended by TCL.

Detailed Rationale & Key Rating Drivers of TCL (CE provider)

The reaffirmation of the long-term and short-term ratings assigned to the instrument and bank facilities of TCL takes into account the improvement in the company's consolidated financial risk profile leading to comfortable total debt/PBILDT ratio and debt coverage metrics. The ratings also factor in the improved operational and financial performance of the company majorly driven by growth in Data Management Services (DMS) amid Covid-19 pandemic, which is further expected to grow in the medium term especially in the enterprise business. With sale of 26% stake held by the Government of India (GoI), the limitation to raise additional funds by way of infusion of equity going forward is also mitigated to a large extent.

The ratings continue to factor in the financial flexibility it enjoys being a part of the resourceful TATA group (shareholding increased from around 49% to around 59% as on September 30, 2021), TCL's vast global presence in diversified geographical area, extensive customer base and refinancing of debt obligations, as envisaged, leading to shift in the bulky debt repayments due in FY21 and FY22 (refers to the period April 1 to March 31).

The aforementioned rating strengths are, however, tempered by continuous decline in revenues and profitability from voice segment, exposure to regulatory uncertainties, and inherent technological risks in the telecom industry. Significant portion of future earnings are envisaged to be invested in augmenting the existing network and product offerings of the company over the next 3-5 years. Any debt-funded capex leading to deterioration in capital structure would be a key rating sensitivity.

Final rating to the long-term/ short-term bank facilities of TCTSL has been confirmed upon receipt of LoC from TCL and receipt of other financing documents to the satisfaction of CARE Ratings Limited.

Key Rating Drivers of TCTSL

The reaffirmation of the ratings assigned to the bank facilities of TCTSL derives comfort from the strong support from experienced promoter (TCL), integrated business model of service operations, highly reputed customer, worldwide geographical presence and comfortable financial risk profile as well as niche albeit growing presence in telecommunication segment. The rating strengths are, however, tempered by the company's limited operational track record and exposure to foreign exchange fluctuation risk which is partly mitigated through hedging. Furthermore, during FY21, the company incurred losses of around Rs.46 crore on account of movement restrictions due to COVID-19 pandemic, increased allowances related to the pandemic and losses in an international contract. Based on articulation from the management, CARE Ratings understands that the company has streamlined its processes and expunged non-performing contracts. Going forward, the ability to maintain profitability margins while expanding the customer base and order book to ramp up its overall scale of

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

operations will be a key monitorable.

Rating Sensitivities (TCL)

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

- Sustained PBILDT margins of around 25% coupled with significant improvement in the capital structure.

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 AGR dispute and other regulatory matters resulting in deterioration in the financial risk profile.
- Any major debt-funded capex/investment leading to increase in Total Debt/PBILDT above three times on sustained basis and deterioration in capital structure.
- Continued losses in subsidiaries and overall revenue degrowth, impacting the profitability margins.

Detailed description of the key rating drivers – TCL (consolidated)

Key Rating Strengths

Strong and resourceful promoter group

TCL is a part of over USD 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 company within the TATA group, being one the oldest businesses. Being a part of the TATA group, TCL continues to enjoy high level of financial flexibility and ability to raise funds from the capital market.

During the FY21, the GoI divested its entire shareholding, resulting in the combined stake of TATA Sons Limited in TCL increasing from 48.86% to 58.86%, and balance with 41.14% is held by public. With the GoI divesting the entire shareholding, the limitation to raise additional funds by way of infusion of equity going forward is also mitigated to a large extent, in case of any significant capex to augment the technological advancement or any other suitable business opportunity.

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

The company has presence in multiple segments like Data segment (which includes Innovation, Growth and Traditional Services), Voice segment, Payment solutions business, transformation services and others. 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), which consists of 700,000 kilometres of terrestrial and subsea network fibre, which shares around 30% of the world's internet routes and connects businesses to 80% of the world's cloud giants and enables businesses to reach more than 190 countries and territories. Furthermore, through its signalling services, TCL connects four out of five global mobile subscribers. This global reach, combined with strong Pan-India presence, allows TCL to be a market leader in many of the services it offers.

The company has a well-diversified and established customer and supplier base with contribution of top five customers at 17%, during FY21 resulting in low concentration risk. The total revenue generated is well spread across various geographies around the globe mainly including US (around 16%), India (around 41%), United Kingdom (around 7%), Rest of Europe (around 10%), Singapore (around 5%) and balance from other markets.

Improved operational performance during FY21 driven by growth in Data Management Services business segment

During FY21, revenue share of DMS segment to total consolidated revenue increased to 81% (77% in FY20). This segment registered a revenue growth of 5.60% in FY21 on y-o-y basis. The growth in DMS segment was partially offset with declining voice business resulting in a marginal increase in total revenues to Rs.17,100 crore (PY: Rs.17,068 crore). Due to continuous innovation in designing and adapting the product as per client requirements, streamlining of operations, focus on operation efficiency, PBILDT on consolidated basis grew by 28% in FY21 over the last year with a 530 bps rise in PBILDT margins at 24.57% during the FY21. Furthermore, on back of strong operational performance, TCL reported PAT of Rs.1,251 crore in FY21 as against a loss after tax of Rs.86 crore in FY20.

The growth in PBILDT is majorly contributed by improvement in performance of data segment, which is a high-margin business. The EBIDTA in this segment stood at Rs.4,088 crore as against Rs.3,026 crore thereby registering a growth of 35% during the year with an EBIDTA margin of 28.6% in FY21 (margin expansion by 650bps in FY21 over FY20). The management continues to focus on this segment and has taken up various branding and marketing initiatives which are expected to translate into revenue going forward. TCL believes that DMS segment will continue to grow further as improvement in FY21 was below the optimal expectations owing to slow deal conversion cycle majorly impacted by Covid-19. Enterprise customers have been driving the growth, in both India as well as international markets, with increasing adaption of cloud technology and other services. Going forward, the ability of the company to sustain its healthy profitability margins along with sustained growth in the overall revenues would be a key rating monitorable.

Comfortable financial risk profile and strong liquidity position

The company's financial risk profile is marked by comfortable gross debt/PBILDT of 2.37x which have improved significantly as compared with 3.26x as on March 31, 2020, respectively at consolidated basis. The interest coverage also improved from 6.99x in FY20 to 10x in FY21. Furthermore, the networth of TCL, which was impacted due to past losses and write-off of investment in a group entity, turned positive in FY21 at Rs.33.3 crore as against negative net worth of Rs.1,365.45 crore during FY20 on account of profits earned during the year at a consolidated level.

On borrowing front, gross debt has reduced by around Rs.760 crore with total gross debt as on March 31, 2021 at Rs.9,960 crore as against Rs.10,721 crore last year. Though the debt levels of the company are high, the average cost of borrowings is low at an average borrowing cost of around 3% in FY21 as majority of the debt is foreign currency debt raised by international subsidiaries. Furthermore, the company has natural hedge due to significant revenue and profit in dollars which helps in saving hedging cost.

During FY21, debt amounting around USD 850 million with repayments due in FY21 and FY22 have been refinanced thereby leading to comfortable debt coverage indicators. Furthermore, with cash and cash equivalent of Rs.2,280 crore as on March 31, 2021, the net debt to PBILDT has also improved from 2.8x in FY20 to 1.8x in FY21.

Key Rating Weaknesses

Continued decline in the Voice Segment

Though TCL is one of the largest carriers of international wholesale voice traffic, TCL reported an approximate 19% decline in voice traffic at 18.2 billion minutes globally in FY21 from 23.2 billion minutes in FY20 (30 billion minutes in FY19). The decline in the voice segment continues to be largely attributed to the shrinking market for the company as a result of higher usage of over-the-top (OTT) services and pricing pressures due to competition. The segment is mature and highly commoditized. Although during FY21, data segment registered a revenue growth of around 5.6%, the total revenue growth remained muted at around 0.2% on account of decline in the revenue majorly from voice segment by around 17%. Revenue share from the voice segment declined to 16% as against 20% last year. Furthermore, the PBILDT margins from this segment continue to decline from 8.7% in FY19 to 6.20% in FY21 (7.8% in FY20). Performance of voice business of TCL is expected to remain subdued going forward.

Subdued operating performance of subsidiaries business

Subsidiaries comprise payment solution business and transformation services. The Payment solution business of managing the ATM network of TCL is carried out by TCL's wholly-owned subsidiary TATA Communications Payment Solutions Limited (TCPSL, rated 'CARE AA+ (CE)/CARE AA-(CE); Stable/CARE A1+(CE)'). Though in FY21, TCL has managed to discontinue loss-making ATMs, which were under contractual obligation with the Ministry of Finance, the segment continues to get plagued due to lower footfalls and the average daily transactions owing to Covid. As on March 31, 2021, TCPSL operated 6,184 ATMs (only white-label ATMs) as against 12,240 ATMs last year. Though the company was able to turn-around its operational performance during FY20 and reported operational profits, due to the impact of Covid, the operating profits have reduced drastically from Rs.84 crore in FY20 to Rs.6 crore in FY21. Reduction in the number of ATMs managed has also impacted the revenue generation from the segment. CARE Ratings understands from the company management that with limited number of players in the segment, the segment is expected to generate profits going forward.

The transformation segment was also impacted due to Covid. Though the segment revenue recorded EBIDTA of Rs.9 crore in FY21 as against a loss of Rs.25 crore in FY20, the same is still low as against past operating profits (EBIDTA of Rs.105 crore and Rs.160 crore in FY19 and FY18, respectively). With the healthy international order book for FY22, the business is expected to recover to some extent and would be a key rating monitorable.

Susceptibility to regulatory uncertainties and technology risks

The telecommunication sector globally is surrounded by regulatory uncertainties and TCL remains susceptible to adverse regulatory changes. During Q2FY20, DOT has demanded Rs.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 Rs.5,433 crore which were disallowed by DoT towards the cost adjusted on 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 appeal on the above charges has not been included in the AGR ruling declared by Hon'ble Supreme Court on October 24, 2019. Furthermore, the company believes that these licenses are different from Unified Access Service License (UASL), which was the subject matter of Supreme Court Judgement. The company has responded to 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 has made a payment of Rs.379.51 crore under protest to DOT. As on March 31, 2021, total contingent liability towards all AGR dues including above demands stood at Rs.2,235.52 crore.

TCL's business segments carry an inherent technological risk. The under-sea cable systems, which carry the network traffic, may require upgradation for technological advancements or alternative cables towards the end of their life, for continuity of network traffic, which entail huge investments and require long gestation period. Suitable replacement strategies would be required to be in place at appropriate time so that the services are not impacted.

The telecom Industry continues to face challenges on account of technological upgradation risks. As such, TCL may be required to adapt to future changes in technology and continued investments in R&D activities, which will be a key rating monitorable.

Liquidity: Strong (TCL-consolidated)
The liquidity position of the company continues to be strong with cash and cash equivalents (including investments) amounting to around Rs.739 crore as on September 30, 2021. Owing to its strong liquidity position, the company has prepaid the debt of USD 100 million (pertaining to FY23) in June 2021. The average working capital utilization of the company continues to remain quite low during the 12-month period ending May 2021 thereby providing cushion for contingencies. CARE Ratings takes note of the refinancing of total debt amounting to around USD 850 mn in FY21 for repayments due in FY21 and FY22, which has since been shifted and would now be repaid during FY23 to FY26. The company envisages to fund its future capital expenditure towards augmenting its existing network and product offerings largely through its internal accruals. As a result, no significant increase in debt levels is envisaged, which is expected to be at around Rs.10,000 crore.
By virtue of being part of the TATA group, the company continues to enjoy significant level of financial flexibility and access to capital markets.

Liquidity: Adequate (TCTSL-consolidated)
The company has adequate liquidity profile with free cash and bank balances of Rs.34.13 crore against no external long-term debt except for inter-corporate loans of Rs.125.00 crore availed from TCL as on August 31, 2021. The average utilization of the fund-based limits of the company remains comfortable at 50%-60%, leaving additional liquidity buffer for meeting the working capital requirements. Furthermore, the company also enjoys financial flexibility by virtue of being a part of the TATA group.

Analytical approach:
Credit Enhancement rating: The ratings of the bank facilities of TCTSL are based on the credit enhancement in the form of LoC provided by TCL. TCL has been assessed on a consolidated basis on account of operational and financial linkages among entities. The list of entities whose financials have been consolidated is mentioned in Annexure 6.

Unsupported rating: The unsupported ratings of TCTSL are based on a consolidated approach, wherein, the financials of all its subsidiaries have been considered on account of common management, shared brand name and similar line of business along with financial linkages. Furthermore, the ratings also factor in linkages with TCL, which are integral to the operations of TCTSL. The list of entities whose financials have been consolidated is mentioned in Annexure 6.1.

Applicable Criteria
Policy on default recognition
Consolidation
Factoring Linkages Parent Sub JV Group
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Rating Credit Enhanced Debt
Rating Outlook and Credit Watch
Service Sector Companies
Infrastructure Sector Ratings

About the CE Provider – TCL
TCL was incorporated on March 19, 1986, as Videsh Sanchar Nigam Limited (VSNL), an entity wholly owned by the GoI. The GoI, vide its letter dated 27 March 1986, transferred all assets and liabilities of the Overseas Communications Service (OCS, part of the Department of Telecommunications, Ministry of Communications) to VSNL with effect from April 01, 1986. During 2002, the TATA group acquired 50% stake in the company and in the year 2008, the company changed its name from VSNL to TCL. In March 2021, GoI divested its entire equity shareholding of 26.12% in the company, wherein 16.12% of its stake was sold to the general public by an offer for sale through the stock exchange mechanism and balance shareholding of 10% to Panatone Finvest Limited, a TATA group company, through an off-market inter se transfer of shares between promoters. As on September 30, 2021, the TATA group holds 58.86% stake and balance 41.14% is being held by public.
TCL owns and operates the world's only wholly-owned fibre optic sub-sea network ring around the globe and the world's largest carrier of international wholesale voice traffic. 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 the following segments:

- Data Management Services (DMS),
- Voice Services (VS),
- Payment solutions, and,
- Real estate

Brief Financials – Consolidated (Rs. crore)	FY20 (A)	FY21 (A)	H1FY22 (UA)
Total operating income	17,068	17,100	8,327
PBILDT	3,289	4,202	2,149
PAT	-85	1252	723
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	6.99	10	11.49

A: Audited; UA: Unaudited; NM: Not Meaningful
Note: The financials are classified as per CARE Ratings' internal standards

About the Company – TCTSL
TCTSL, formerly incorporated as VSNL global services (subsidiary of VSNL; in which TATA acquired a controlling stake in 2002) subsequently renamed, is a wholly-owned subsidiary of TCL. The company is primarily engaged in business transformation, managed network operations, network outsourcing and consultancy services. The company provides end-to-end network management for cable and wireless network servicing requirement of customers by providing services like optical cable fibre (OFC) servicing, network engineering and design, implementation and other support services for major telecom players. TCTSL is headquartered in Mumbai, India, with global offices in Europe, North America and Middle East.

Brief Financials – Consolidated (Rs. crore)	FY20 (A)	FY21 (A)	5MFY22 (UA)
Total operating income	1,336.40	1,408.41	586.23
PBILDT	-67.21	-6.65	-15.20
PAT	-88.88	-46.66	-21.83
Overall gearing (times)	0.57	0.80	1.56
Interest coverage (times)	NM	NM	NM

A: Audited; UA: Unaudited; NM: Not Meaningful
Note: The financials are classified as per CARE Ratings' internal standards

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

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

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

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	-	-	-	145.00	CARE AA- (CE); Stable / CARE A1+ (CE)
Fund-based - ST-Bank Overdraft	-	-	-	65.00	CARE A1+ (CE)
Un Supported Rating-Un Supported Rating (LT/ST)	-	-	-	0.00	CARE A+ / CARE A1
Non-fund-based - LT/ ST-BG/LC	-	-	-	35.00	CARE AA- (CE); Stable / CARE A1+ (CE)
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	-	-	-	50.00	CARE AA- (CE); Stable / CARE A1+ (CE)

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST*	145.00	CARE AA- (CE); Stable / CARE A1+ (CE)	-	1)CARE AA- (CE); Stable / CARE A1+ (CE) (17-Feb-21) 2)CARE AA- (CE); Stable / CARE A1+ (CE) (09-Oct-20)	-	-
2	Fund-based - ST-Bank Overdraft	ST	65.00	CARE A1+ (CE)	-	1)CARE A1+ (CE) (17-Feb-21) 2)CARE A1+ (CE) (09-Oct-20)	-	-
3	Un Supported Rating-Un Supported Rating (LT/ST)	LT/ST*	0.00	CARE A+ / CARE A1	-	1)CARE A+ / CARE A1 (17-Feb-21) 2)CARE A+ / CARE A1 (09-Oct-20)	-	-
4	Non-fund-based - LT/ ST-BG/LC	LT/ST*	35.00	CARE AA- (CE); Stable / CARE A1+ (CE)	-	1)CARE AA- (CE); Stable / CARE A1+ (CE) (17-Feb-21)	-	-
5	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST*	50.00	CARE AA- (CE); Stable / CARE A1+ (CE)	-	1)Provisional CARE AA- (CE); Stable / CARE A1+ (CE) (17-Feb-21)	-	-

* LT: Long Term; ST: Short Term

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

Particulars	Detailed explanation
A. Non-financial covenants	
Minimum Shareholding	TCL to continue to retain majority ownership and control in the company and retain at least 51% shareholding.
Management Control	TCL to retain management control directly or indirectly.

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

Sr. No	Name of instrument	Complexity level
1	Fund-based - ST-Bank Overdraft	Simple
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
3	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
4	Non-fund-based - LT/ ST-BG/LC	Simple
5	Un Supported Rating-Un Supported Rating (LT/ST)	Simple

Annexure 5: Bank Lender Details for this Company

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

Annexure 6: List of entities forming part of TCL's consolidated financials (as on March 31, 2021)

Sr. No.	Name of the company	% shareholding
	Subsidiaries	
1	TATA COMMUNICATIONS (AUSTRALIA) PTY LIMITED	100%
2	TATA COMMUNICATIONS (AMERICA) INC.	100%
3	TCPOP COMMUNICATION GMBH	100%
4	TATA COMMUNICATIONS (BELGIUM) SPRL	100%
5	TATA COMMUNICATIONS (BERMUDA) LIMITED	100%
6	TATA COMMUNICATIONS SVCS PTE LIMITED	100%
7	TATA COMMUNICATIONS (BEIJING) TECHNOLOGY LIMITED	100%
8	TATA COMMUNICATIONS (CANADA) LTD.	100%
9	TATA COMMUNICATIONS (FRANCE) SAS	100%
10	TATA COMMUNICATIONS DEUTSCHLAND GMBH	100%
11	TATA COMMUNICATIONS (GUAM) L.L.C.	100%
12	TATA COMMUNICATIONS (HONG KONG) LIMITED	100%
13	TATA COMMUNICATIONS (HUNGARY) LLC	100%
14	TATA COMMUNICATIONS (IRELAND) DAC	100%
15	TATA COMMUNICATIONS (ITALY) S.R.L	100%
16	TATA COMMUNICATIONS (JAPAN) K.K.	100%
17	ITXC IP HOLDINGS S.A.R.L.	100%
18	TATA COMMUNICATIONS (MALAYSIA) SDN. BHD.	100%
19	TATA COMMUNICATIONS (NETHERLANDS) B.V.	100%
20	TATA COMMUNICATIONS (NEW ZEALAND) LIMITED	100%
21	TATA COMMUNICATIONS (NORDIC) AS	100%
22	TATA COMMUNICATIONS (POLAND) SP. Z 0. 0.	100%
23	TATA COMMUNICATIONS (PORTUGAL) INSTALACAO E MANUTENCAO DE REDES, LOA	100%
24	TATA COMMUNICATIONS (PORTUGAL), UNIPESSOAL LDA	100%
25	TATA COMMUNICATIONS (RUSSIA) LLC.	90.90%
26	TATA COMMUNICATIONS INTERNATIONAL PTE. LTD.	100%
27	VSNL SNOSPV PTE. LTD.	100%
28	TATA COMMUNICATIONS SERVICES (INTERNATIONAL) PTE. LTD.	100%
29	TATA COMMUNICATIONS (SPAIN), S.L.	100%
30	TATA COMMUNICATIONS (SWEDEN) AB	100%
31	TATA COMMUNICATIONS (SWITZERLAND) GMBH	100%
32	TATA COMMUNICATIONS (TAIWAN) LTD	100%
33	TATA COMMUNICATIONS (THAILAND) LIMITED	100%
34	TATA COMMUNICATIONS (MIDDLE EAST) FZ-LLC	100%
35	TATA COMMUNICATIONS (UK) LIMITED	100%
36	TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED	100%
37	TATA COMMUNICATIONS PAYMENT SOLUTIONS LIMITED	100%
38	TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED	100%
39	SEPCO COMMUNICATIONS (PTY) LIMITED	73.17%
40	TATA COMMUNICATIONS LANKA LIMITED	90.00%
41	TATA COMMUNICATIONS (SOUTH KOREA) LIMITED	100%
42	TATA COMMUNICATIONS TRANSFORMATION SERVICES PTE LIMITED	100%
43	TATA Communications Transformation Services (Hungary) Kft.	100%
44	TATA Communications (Brazil) Participacoes Limitada	100%
45	Nexus Connexion (SA) Pty Limited	100%
46	TATA Communications Transformation Services (US) Inc	100%
47	TATA Communications Transformation Services South Africa (Pty) Ltd	100%
48	TATA Communications Comunicacoes E Multimidia (Brazil) Limitada	100%
49	TATA Communications MOVE B.V.(Earlier known as Teleena Holding B. V.)	100%
50	TATA Communications MOVE Nederland B.V, (Earlier known as Teleena Nederland B.V.)	100%
51	TATA Communications MOVE UK Limited (Earlier known as Teleena UK Limited)	100%
52	TATA Communications MOVE Singapore Pte. Ltd. (Earlier known as Teleena Singapore Pte.	100%

Sr. No.	Name of the company	% shareholding
	Ltd.)	
53	MuCoso B.V.	100%
54	NetFoundry Inc.	100%
55	TC IOT Managed Solutions	100%
56	TCTL Senegal Limited	100%
57	Oasis Smart E-Sim Pte Ltd	58%
58	OASIS Smart SIM Europe SAS	58%
	Associates	
1	STT GLOBAL DATA CENTERS PRIVATE LTD	26%
2	UNITED TELECOM LIMITED	26.66%
3	SMART ICT SERVICES PRIVATE LIMITED	24%

Annexure 6.1: List of entities forming part of TCTSL's consolidated financials (as on March 31, 2021)

Sr. No.	Name of subsidiaries	% shareholding
1.	TATA Communication Transformation Services Pte Limited (Singapore)	100%
2.	TATA Communication Transformation Services South Africa (PTY) Ltd.	100%
3.	TATA Communication Transformation Services (US) Inc.	100%
4.	TATA Communication Transformation Services (Hungary) kft	100%
5.	TATA Communication Transformation Services Senegal Limited	100%

Note on complexity levels of the rated instrument: *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@careratings.com for any clarifications.*

Contact us

Media Contact
Name: Mradul Mishra
Contact no.: +91-22-6754 3573
Email ID: mradul.mishra@careratings.com

Analyst Contact
Name: Harish Kumar Chellani
Contact no.: +91-22-6837 4400
Email ID: harish.chellani@careratings.com

Relationship Contact
Name: Saikat Roy
Contact no.: +91-98209 98779
Email ID: saikat.roy@careratings.com

About CARE Ratings:
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