

Tata Communications Limited

April 14, 2020

Ratings

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debentures	-	-	Withdrawn

Details of instrument in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating(s) assigned to the NCD issue of Tata Communications Limited with immediate effect, as the company has repaid the aforementioned NCD issue in full and there is no amount outstanding under the issue as on date.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Tata Communications Limited (TCL) was incorporated on March 19, 1986 as Videsh Sanchar Nigam Limited (VSNL), an entity wholly owned by the Government of India (GoI). 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, Tata Group acquired 50% stake in the company and in the year 2008, the company changed its name from VSNL to TCL. As at March 31, 2020, the Tata Group held 48.86% stake and GoI holds 26.12% stake. National Company Law Tribunal (NCLT) and Central Government through Ministry of Corporate Affairs (MCA) have approved the long pending demerger of surplus land on July 12, 2018 and August 05, 2019 respectively and recorded September 18, 2019 as record date of the demerger scheme.

During 9MFY20 on consolidated level, the company has reported operating Income of Rs. 12,702 crore, PBILDT of Rs.2,452 crore and PAT of Rs. 190 crore as against operating income of Rs. 12,302 crore, PBILDT of Rs.2,080 crore and PAT of Rs. 118 crore in 9MFY19.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	16,817	16,435
PBILDT	2,393	2,655
PAT	-326	-80
Overall gearing (times)	26.73	NM
Interest coverage (times)	6.95	6.69

A: Audited; NM: Not meaningful

The financials have been reclassified as per CARE standard

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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

Annexure-1: Details of Instruments

Name of the Instrument	ISIN No	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE151A08059	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE151A08059	-	-	-	0.00	Withdrawn

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

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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Issuer Rating-Issuer Ratings	Issuer rat	0.00	CARE AA+ (Is); Stable	-	1)CARE AA+ (Is); Stable (05-Jul-19)	1)CARE AA+ (Is); Stable (17-Dec-18)	1)CARE AA+ (Is); Stable (08-Jan-18)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA+; Stable (05-Jul-19)	1)CARE AA+; Stable (17-Dec-18)	1)CARE AA+; Stable (08-Jan-18)
3.	Fund-based - ST-EPC/PSC	ST	240.00	CARE A1+	-	1)CARE A1+ (21-Jan-20) 2)CARE A1+ (05-Jul-19)	1)CARE A1+ (17-Dec-18)	1)CARE A1+ (08-Jan-18)
4.	Non-fund-based - ST-BG/LC	ST	719.00	CARE A1+	-	1)CARE A1+ (21-Jan-20) 2)CARE A1+ (05-Jul-19)	1)CARE A1+ (17-Dec-18)	1)CARE A1+ (08-Jan-18)
5.	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA+; Stable (05-Jul-19)	1)CARE AA+; Stable (17-Dec-18)	1)CARE AA+; Stable (08-Jan-18)
6.	Fund-based/Non-fund-based-Short Term	ST	218.00	CARE A1+	-	1)CARE A1+ (21-Jan-20) 2)CARE A1+ (05-Jul-19)	1)CARE A1+ (17-Dec-18)	1)CARE A1+ (08-Jan-18)
7.	Non-fund-based - LT-Bank Guarantees	LT	40.00	CARE AA+; Stable	-	1)CARE AA+; Stable (21-Jan-20)	-	-
8.	Debentures-Non Convertible Debentures	LT	650.00	CARE AA+; Stable	1) CARE AA+; Stable (11-Apr-20)	-	-	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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