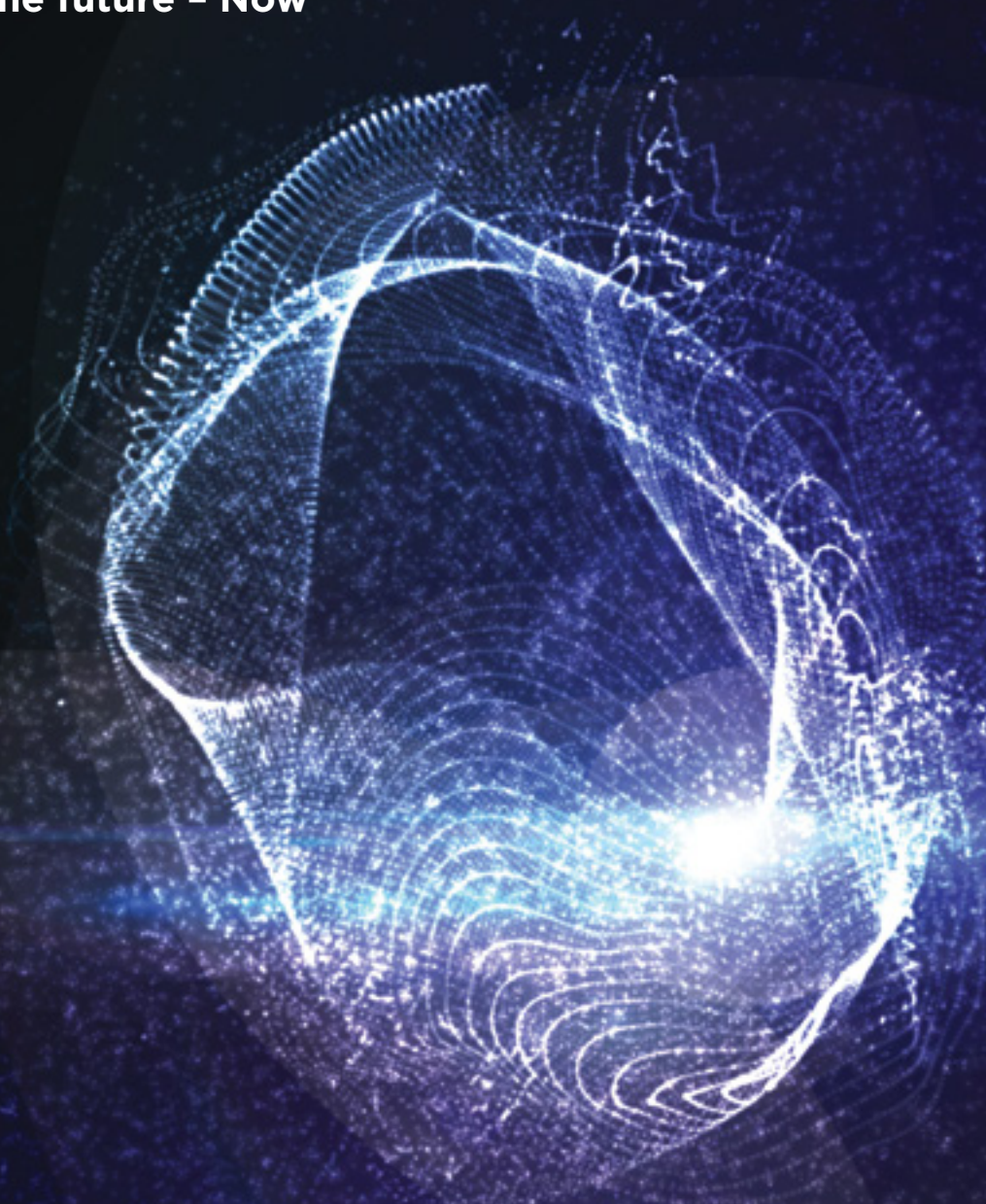


# **Agile. Intelligent. Connected.**

**Enable the future - Now**



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Tata Communications continues to be driven by its purpose to **‘Deliver a New World of Communications™’** – resting on agile, intelligent and secure solutions that enable exceptional digital experiences.

Digital transformation continues to dictate enormous shifts in businesses as well as in society. Once unfathomable solutions have become a tangible reality today and a connected world is no longer a distant dream but, a reality for enterprises and individuals across the globe.

As the future of digital technologies beckon – to secure new ways of engagement and operation, to unleash opportunities that enable us to harness our capabilities to reimagine and redesign a new world – we continue to build robust and dynamic solutions for organizations and enterprises to seamlessly embark on their digital transformation journeys.

Riding the next wave of digital evolution, as businesses fuel growth ambitions, we remain enthused by the possibilities of **‘A New World’** – an agile, intelligent and connected space that presents a breeding ground for the future – to not just thrive but survive with dignity and dexterity.





# WHO WE ARE

A digital ecosystem enabler that powers today’s rapidly evolving world, Tata Communications is taking big strides to fulfil our objective of delivering a New World of Communications™.

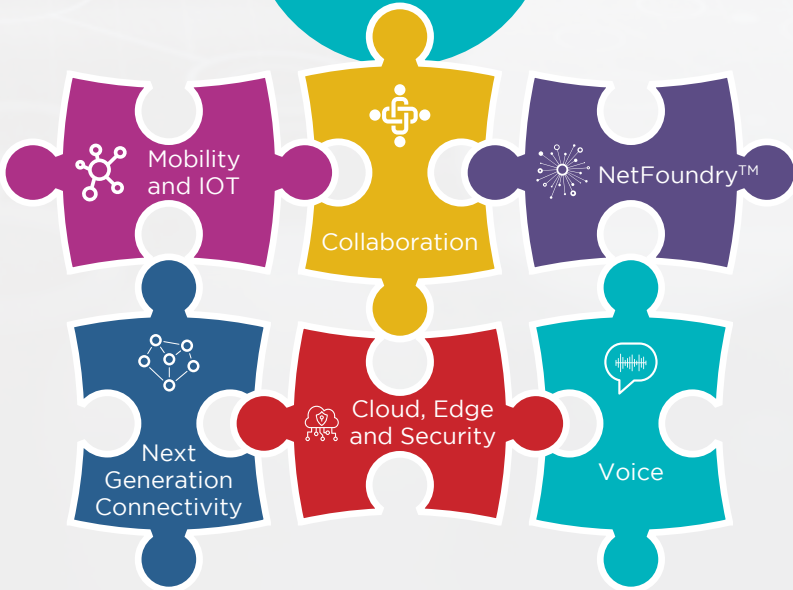
We are reimagining the future by unlocking new growth opportunities for customers, while making a positive and tangible impact on the society at large. With our extensive domain expertise, we empower our customers, comprising of 300 of the Fortune 500 companies, to seamlessly progress through their digital transformation journeys. We achieve this by powering borderless growth, boosting product innovation, improving productivity & efficiency, building agility and managing risk. We remain committed to drive the next level of intelligent solutions powered by cloud, mobility, Internet of Things (IoT), collaboration, security, and network services, resting on our solutions oriented approach, proven managed service capabilities and cutting-edge infrastructure.



Our strategy shifts are focused on:



Our Platform,  
solutions and  
services



# OUR REACH

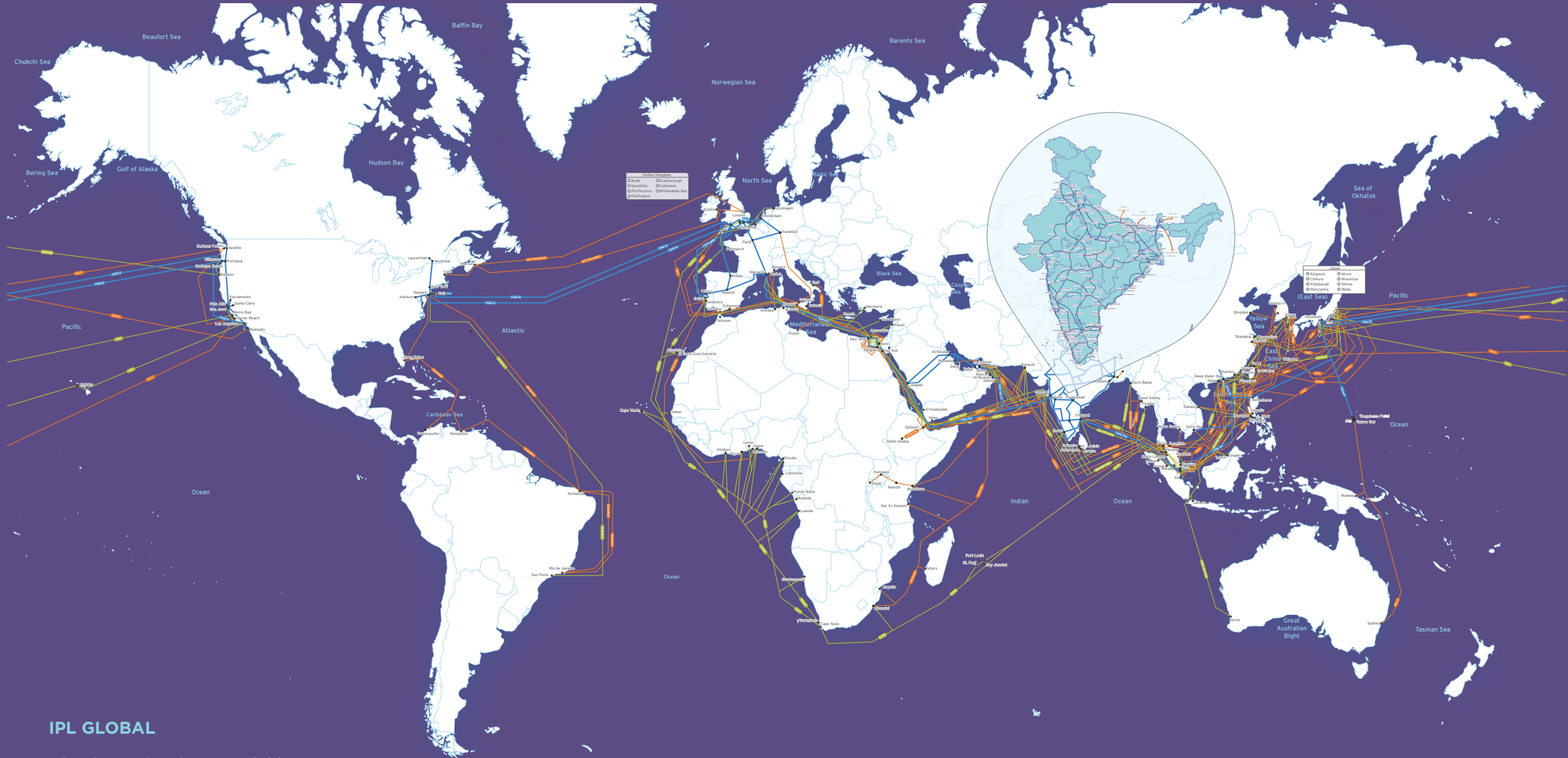
Providing connectivity to more than **200** Countries

**World's largest** wholly owned subsea fibre backbone and a Tier-1 IP network

We carry **~30%** of the world's internet routes

We connect businesses to **60%** of the world's cloud giants

**50+** Entities across the globe



IPL GLOBAL

TGN, Consortium & Partner Cables Map

Legend

TGN Cables

- |              |                |               |
|--------------|----------------|---------------|
| TGN-Atlantic | TGN-Intra Asia | TGN-TIC       |
| TGN-Eurasia  | TGN-NER        | TGN-WER       |
| TGN-Gulf     | TGN-Pacific    | TGN-India NLD |

Consortium Cables

- |        |           |            |
|--------|-----------|------------|
| APCN-2 | JUS       | SEA ME WE3 |
| BBG    | SAFE/SAT3 | SEA ME WE4 |
| FASTER | SEABRAS-1 | WACS       |
| IMEWE  |           |            |

Partner Cables

- |         |          |              |              |       |
|---------|----------|--------------|--------------|-------|
| AAE-1   | EIG      | GTT ATLANTIC | PIPE (PPC-1) | TEAMS |
| APG     | FEA      | I2I          | SEACOM       | UNITY |
| ASE     | FNAL     | MAIN ONE     | SEA ME WE5   |       |
| C2C/EAC | GLOBENET | PC-1         | SJC          |       |



# OUR CLIENTELE



# FINANCIAL HIGHLIGHTS

Net Revenue (₹ in crores)



EBITDA (₹ in crores)



PAT (₹ in crores)



Free Cash Flow (₹ in crores)



Market Capitalisation (₹ in crores)



ROCE (in %)



EBITDA Margin (in %)



## COVID-19: OUR RESPONSE

Our response to COVID-19 is a showcase of our business agility - keeping our employees safe and our customers' businesses and their employees connected and mobile.

**With its leading portfolio of platforms, solutions and services, underpinned by a network that carries over 30 per cent of the world's internet routes - global digital ecosystem enabler Tata Communications has been instrumental in keeping the world connected at a time when people around the world have never been more physically isolated.**

**30**  
per cent of the  
world's internet  
routes



### For Business Continuity

Tata Communications was well prepared and developed a business continuity plan, covering all functions, with necessary backup and resiliency. Our business and operations are built for maximum flexibility to support a worldwide distributed workforce.

- We set up a task force to assess, monitor and respond to the crisis very early on.
- We made employee safety and mental wellbeing, alongside business continuity the top priority





# COVID-19: OUR RESPONSE



## For Customers

As customers looked to move their employees to work remotely and shift workloads seamlessly across borders as part of their own business continuity plans – Tata Communications witnessed increased demand for network capacity, together with requirements for bespoke solutions that enabled efficient and secure remote working.

We were able to augment network capacity to cater for the increasing demand while simultaneously quickly adapting and launching customised work from home solutions to help customers' employees work from home safely with in-built secure access to their corporate applications wherever they are hosted.

The agility, service quality and responsiveness of our teams is being recognised by our customers who continue to show their appreciation. As a result, our customer satisfaction score during this time has seen a record high – contributing to a top quartile Net Promoter Score® (NPS®).

### We:

- Delivered 650+ orders resulting from COVID-19, corresponding to 1.35 TBPS of additional provisioned bandwidth.
- Enabled tens of thousands of users from large enterprise customers switch to new home working realities across more than 150 organisations with many more under deployment.
- Offered solutions for our customers in a record time - in some cases, deploying changes, upgrades and relevant solutions such as secure military-grade 'zero trust dark network' in less than 6 hours in order to ensure customers have the right services and solutions needed for business continuity.
- Expanded capacity in a short span which has been possible due to extensive upgrade and modernisation of our network done in the last three years.
- Observed a 30% growth in internet traffic on our network in March compared to January 2020.
- Recorded 1 billion minutes of Enterprise voice traffic in March 2020 alone.



## For Employees

Tata Communications responded quickly to the crisis, making work from home mandatory where possible, implementing a complete travel ban as well as restrictions around physical meetings and visitors to its facilities – all before many countries shifted to lockdown measures. As a result, agility and collaboration became even more pronounced character traits within the business.

As a global business with a highly distributed workforce, Tata Communications has had flexible working policies – like work from home, flexible working hours and bring-your-own-device ('BYOD') – for a long time. There are a variety of virtual collaboration environments and unified communication and collaboration technologies which were already widely adopted within the company.

For those on-field employees that needed to be on-location to keep mission critical infrastructure up and running, Tata Communications ensured their safety, protection, and mental wellbeing at all times. Much like first responders, these colleagues are classified as essential workers who need to travel on-site across network operation centres, cable landing stations or the client site to monitor and ensure smooth operation of the infrastructure, networks, and backend IT operations, during these unprecedented times.

### We:

- Enabled 98% of Tata Communications employees to work from home within two weeks, thanks to the robust infrastructure in place.
- Ensured the safety and protection of on-field employees and also mental wellbeing programmes – which was also applicable for the whole organisation.
- Have had flexible working policies in place for some time now including work from home, flexible working hours and bring-your-own-device (BYOD) with widely adopted virtual collaboration environments and unified communication and collaboration technologies.
- Witnessed a 50-fold increase in traffic within Tata Communications, considering all chats and calls within our organisation on our collaboration platforms.



## For the Community

Our CSR efforts also continue during the time of COVID-19. We are responding to the call of the community, along with our partners.

### We:

- Supported hospitals under Pune Chinchwad Municipal Corporation (PPE & isolation ward set-up)
- Provided ration and hygiene kits for thousands of families in need. Also, provided ration for 500 families of children studying in two schools run by the Brihanmumbai Municipal Corporation, Mumbai.
- Raised \$135K through employee contribution. In addition, the company has matched this amount and the total sum is being allocated to Tata Community Initiatives Trust and local NGOs in India as well as other countries around the world.

# LETTER FROM THE MD & CEO

**Mr. Amur S. Lakshminarayanan**  
Managing Director and CEO  
Tata Communications Limited



## Dear shareholders,

Tata Communications' purpose to Deliver a New World of Communications™ has become even more relevant as we witness and experience unprecedented change on a global scale following recent world events.

I am proud of our 12,000+ strong team across all the markets in which we operate. We have an important role to play in keeping businesses up and running and our people have, and continue to show, tremendous amounts of agility, resilience and tenacity during this time of great need.

Our customers are relying on the connectivity and solutions we provide more than ever before. We are helping businesses and mission critical services stay operational while supporting a huge global population with the tools and infrastructure to work from home and keep in touch with loved ones. And we continue to support businesses successfully adapt to the "new normal" by offering secure, connected, digital experiences through our platforms and solutions.

“We are helping businesses and mission critical services stay operational while supporting a huge global population with the tools and infrastructure to work from home and keep in touch with loved ones.”

## DIGITAL TRANSFORMATION: THE KEY TO UNLOCKING OPPORTUNITY

Although the Covid-19 pandemic has introduced a new kind of disruption, in many ways it has accelerated changes that were already well under way. Connectivity was already multifaceted and all encompassing. It's video, it's mobility, it's IoT. All delivering opportunities and experiences that always-connected, cloud-powered applications offer – for businesses, employees and consumers.

With physical borders closed, global supply chain disrupted, how will businesses adapt their enterprise and workforce mobility to the new norm? With social distancing measures and changes in consumer habits, how will businesses adapt to embrace new e-commerce business models using applications to deliver the right experiences?

Two things are sure – change is the only constant and digital will define and shape the experiences in this new world. Digital will become even more strategically core as businesses look to transform how they operate, adopt new ways of working and how they engage with their audiences and with each other. And we will witness this appetite to embrace and adopt digital transformation at a speed – faster than ever before – as enterprises rapidly rethink how to leverage technology as they adapt to the future.

This will start by reimagining their networks – the crucial foundation for any digital business. It also stretches beyond networks: they need to be able to virtually collaborate seamlessly; to safeguard their business against cyber-attacks; and use cloud and IoT to boost efficiencies and human innovation. Even more opportunity is still to come as industries ride the next wave of digital evolution such as Edge computing, SASE, 5G, Blockchain.

Helping our customers to navigate these complexities and deliver on this need is at the heart of our being as a business. We see 'communications' as extending beyond telco. It's how information is shared and how people and businesses experience being connected today and in the future.

## OUR ROLE: THE DIGITAL ECOSYSTEM ENABLER PROVIDING SECURE, CONNECTED, DIGITAL EXPERIENCES

An effective and productive digital ecosystem will be the bedrock for businesses to innovate and to grow. It is the entire technology ecosystem that plays a role in digital transformation – encompassing independent software vendors, system integrators, IT consultants, product OEMs, value-added-resellers, cloud service providers, SaaS companies, right through to telecom providers.

In order to unlock opportunity and drive value for their business, enterprises must connect the different parts of this ecosystem together in the right way which can be complex.

Our lineage of the old telco world, coupled with our knowledge of the new digital world, sets us apart from other players in this digital ecosystem.

We understand the nuances of connectivity and networking, which coupled with our knowledge on cloud, UCC, mobility, IoT and security, and extensive partnerships means that we are a long-term partner in our customers' digital transformation journey as an enabler of this ecosystem.

- Solutions orientated approach, proven managed service capabilities and cutting-edge infrastructure
- Global relationships with 1600+ carriers
- Extensive partnerships with 700+ mobile network operators (MNOs)
- Integrated solutions with multiple OEM vendors in the SD-WAN and UCC space and with system integrators (SIs)
- Connecting business to 60% of the hyperscale cloud giants



With these inherent strengths, we are able to interconnect and aggregate value from various parts of the digital ecosystem, together with our portfolio, and provide powerful platforms and solutions. These will be context aware, much more intelligent that create the right experiences for our customers over the longer-term.

### OUR PERFORMANCE: MAKING STRIDES IN THE RIGHT DIRECTION

FY20 was a year of change for us and one that ended in an unprecedented level of global uncertainty. Despite this, we were able to deliver steady performance and one where we continued to build core strength for our future growth.

There have been many defining moments for us: successfully establishing NetFoundry™, an internally incubated SaaS start-up as an independent subsidiary, continued progression with our own internal business transformation and extended partnerships with major players within the digital ecosystem. We have been recognised both as an employer of choice in many markets and for superior customer experience where we are positioned in the top quartile of Net Promotor Score® (NPS®), amongst the best in the industry. And, we continue to be acknowledged by industry analysts for our maturing portfolio of platforms, solutions and services.

- Our customer focus sets us apart. Our Net Promotor Score is in the top quartile – placing us higher than the B2C NPS® benchmarks of almost all companies across industry verticals.
- For the seventh consecutive year, we have been named as Leaders in Gartner's Magic Quadrant for Network Services, Global.

We witnessed strong profitable growth in our Data business; in FY20, EBITDA margins for Data business expanded by 310 BPs coming in at 22.1% on the back of Growth services' delivering ₹199 crores of EBITDA for the year. We continue to drive the business towards sustainable profitability and positive cashflows.

- In FY20, Enterprise Business grew by 13% YoY; India business growing by 16% and International business growing by 11% YoY.
- Strong profitable growth in both Traditional and Growth Services: Traditional Services grew by 4.6% YoY and Growth Services grew by 14% YoY.
- Data business saw strong growth across all segments:
  - Revenue grew by 8.2% YoY to ₹13,692 crores on the back of strong growth across all segments.
  - EBITDA was at ₹3,026 crores witnessing a 25.6% YoY growth. This is on the back of strong profitable growth in Traditional services (+19.9% YoY) and Growth services turning EBITDA positive.

“We witnessed strong profitable growth in our Data business; in FY20, EBITDA margins for Data business expanded by 310 BPs coming in at 22.1% on the back of Growth services' delivering ₹199 crores of EBITDA for the year.”

### OUR OUTLOOK: ACCELERATING EXECUTION ON OUR STRATEGIC PRIORITIES

We are at our next point of transformation – deepening customer engagement; focus on providing platforms and solutions that deliver secure, connected, digital experiences; simplifying our operations, generating better returns from our investments and continuing to accelerate digital transformation.

As essential as the telecommunications and technology industry is, we are not immune to the pressures facing the economies in which we operate. However, we have a strong foundation and a resilient operating model and we will be accelerating execution on our strategic priorities.

The recent events have also presented opportunities for us and reaffirmed the critical importance that businesses, societies and people place on technology and connectivity. The shift to working from home with the help of digital technology is likely to drive demand for high-end tech in many categories. And there is a growing need for the infrastructure to support this shift, such as cloud computing for business or increased bandwidth consumption for consumers.

### LOOKING AHEAD: GROWTH, CUSTOMER EXPERIENCE & OPERATIONAL EXCELLENCE

Our focus remains ensuring seamless global connectivity and effortless digital transformation for businesses around the world. And we see greater opportunities ahead, as organisations continue to harness the power of technology to transform their business models and drive competitive differentiation.

Our strategy, underpinned by the talent and commitment of our employees worldwide, will enable us to achieve our goals and will drive further improvements in commercial performance to create value for our stakeholders.

On behalf of the Board, I would like to thank you for your continued trust and support, as we thank our customers, partners, associates and our employees.

**Amur S. Lakshminarayanan**  
Managing Director and CEO  
Tata Communications Limited

# BUSINESS MODEL – OUR VALUE CREATION PHILOSOPHY

## Our Input Capitals



### Financial Capital

Financial resources required to fund our growth and expansion plan includes:

- ₹285 crores shareholders fund
- ₹1,693 crores free cash flow
- ₹10,720.88 crores outstanding debt



### Manufactured and Intellectual Capital

A strategic shift from individual products to a platform model, to maximise value creation across the company and benefit all our stakeholders.

- We have built the **Largest one-of-its kind** and **most advanced** subsea fibre network
- 30%** of the world's internet routes are carried through this network
- We connect businesses to **60%** of the world's cloud giants
- Our fibre based global media transport networks over **300 media hotspots** across **125 cities** in the world



### Human Capital

Cultivating capabilities and competencies of our employees enable us to fulfil our objectives.

- 12,107** employees
- 23%** Internal Succession Rate
- 80%** Overall Employee Engagement Score



### Social and Relationship Capital

Our long-standing relationship with our stakeholders and our zeal to contribute towards the upliftment of the society in which we operate enables us to create shared value for all.

- ₹12.62 crores** spent towards CSR activities
- 59,194** volunteering hours invested
- 55,808** shareholders



### Natural Capital

We are committed to reduce our environmental footprint through efficient operations.

- 175 Mn KWH** of energy consumed
- 4.62 lakhs kilo litres** of water drawn

## Our guiding principles

- Work closely with our clients and emerge as a trusted advisor and executor
- Start with customer value, not product value and speak in terms of platforms instead of products
- Simplify our process, technology and touchpoints to create a better employee and customer experience
- Embrace agile ways of working and take ownership and accountability of our shared ambition
- Strive to make a positive, tangible impact on the environment and wider society through our actions, products & services
- Continue to innovate to stay relevant for our customers as a long-term partner in their digital transformation journeys
- Embed AI into our operations to drive efficiency, and into our products and services to help customers (and ourselves) capitalise advancements in AI
- Underpin all that we do with our DRIVE 2.0 leadership behaviours of agility, collaboration, a "can do" attitude & growth mindset, innovation & problem solving, ownership & accountability, continuous learning and skills transformation

## Outcome Achieved

Through our platforms, solutions and services, we empower our customers to embrace their digital transformation journey, smoothly and efficiently.

### Our Customer base includes:

**6,129**

Enterprises

**978**

Service Providers

**5**

Over The Top (OTT) players

We have reimagined our role as a digital ecosystem enabler with a strong emphasis on the customer and superior delivery of customer need through our following platforms, services and solutions:



Next generation connectivity



Mobility and Internet of Things (IoT)



Collaboration services



Cloud, Edge and Security



NetFoundry™



Voice Services

## Value we create



### For providers of financial capital

**₹114 crores**

Dividend proposed

**11.8%**

ROCE



### For our customers

**4 out 5**

Mobile subscribers in the world are connected through our network

**#1**

In voice for 20 years

**22.6 billion**

Minutes of international voice minutes serviced



### For our employees

**21.6%**

Diversity ratio

**47**

Nationalities

**87,470**

Person-days of learning

**5,000**

Man-days of H&S training for employees and contract workforce in FY 20

**Zero**

Major incident including fatal incidents in the last 36 months



### In our communities

**11**

States covered in India

**164,776**

Total number of people benefitted

**115**

Schools covered



### For our environment

**17%**

Of total water requirement recycled

**₹78.5 million**

Annual savings in energy cost from India operations

**112,600 kWh**

Energy savings by international operations through energy savings initiatives