

Tata Communications has reported its consolidated financial results for the quarter ended (QE) and year ended March 2019. During the QE March 2019, the company's consolidated revenue registered a 5 per cent growth on a year-on-year (YoY) basis and stood at Rs 42.43 billion during the quarter. Further, its earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 16.7 per cent on a YoY basis and stood at Rs 68.53 billion. The data revenues grew by 14.2 per cent YoY and 0.5 per cent quarter-on-quarter (QoQ), on the back of strong performance in growth services. The profit after tax (PAT) loss for the quarter stood at Rs 1.98 billion due to equity loss pick up in STT, its Singapore data centre business to the tune of Rs 1.73 billion.

Financial highlights for the year ended March 2019:

- The consolidated revenue stood at Rs 165.25 billion; a decline of 1.5 per cent YoY due to a decline in voice business by 27.1 per cent YoY. According to the company, strong performance in data business has helped mitigate this decline in voice to a large extent.
- PAT loss significantly came down to Rs 0.82 billion as compared to a loss of Rs 3.28 billion in fiscal year (FY) 2018.
- EBITDA grew over 13.8 per cent YoY driven by strong profitability in data business; margins came in at 16.6 per cent, an increase of 220 bps YoY.
- The company's data business witnessed strong growth as revenue from its data business grew by 10.4 per cent YoY on the back of strong performance in growth services and revenue uptick in innovation services. Data services now contribute to 76.6 per cent of the overall revenues; up from 68.3 per cent in FY18. The data EBITDA for the year was Rs 24.09 billion; over 16.6 per cent YoY, primarily due to growth services turning EBITDA positive in Q4
- Growth services portfolio witnessed a strong momentum as revenue grew by 15.1 per cent YoY to \$398 million on the back of large deal wins in this portfolio.

- The traditional services remained stable despite industry headwinds with operator consolidation; revenue declined by 2.2 per cent YoY. This portfolio has started to stabilise and is expected to grow in FY20.
- The company's capex for FY2019 stood at \$267 million as compared to \$235 million in FY18, due to additional investment towards India backbone expansion.

Commenting on the results, Vinod Kumar, Managing Director and Chief Executive Officer, Tata Communications, said, "The strong growth in our data business has helped us deliver consistent financial performance and create momentum for our future growth. Growth services continue to scale up and adoption of these platform services is enabling deeper engagement with customers. Our focus remains on offering best in class digital infrastructure solutions; ensuring seamless global connectivity and effortless digital transformation for businesses around the world."□

Meanwhile, Pratibha K. Advani, Chief Financial Officer, Tata Communications, said, "Our strategy to focus on our data services portfolio has started to show results with our growth services portfolio turning EBITDA positive on the back of strong topline growth and we are starting to see significant traction in our innovation services portfolio. We are confident that we are moving in the right direction and our focus remains on strengthening our cash flows and return ratios as we continue to pursue profitable growth opportunities in future."

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