

## Tata Communications Collaboration Services Private Limited

September 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term / Short-term bank facilities	30.00 (Reduced from 50.00)	CARE AA; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Tata Communications Collaboration Services Private Limited (TCCSPL) is primarily supported by its strong parentage of Tata Communications Limited (TCL, rated 'CARE AAA; Stable / CARE A1+'). Ratings also factor in significant operational linkages with Tata group companies, geographically diverse presence, robust capital structure with nil long-term debt and strong liquidity. These strengths are, however, tempered by TCCSPL's moderate scale of operations and exposure to foreign exchange fluctuation risk.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Significant improvement in revenue and expansion in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 30% on a sustained basis.

#### Negative factors

- Deterioration in the credit profile of parent, TCL.
- Weakening linkages with TCL or change in TCL's support stance towards TCCSPL.
- Significant decline in total operating income (TOI) and PBILDT margin leading to strain in liquidity.

### Analytical approach:

Standalone, factoring in financial and managerial linkages with TCL, integral to the operations of TCCSPL.

### Outlook: Stable

TCCSPL is expected to sustain its strong credit profile owing strong linkages with TCL and its 100% ownership.

### Detailed description of key rating drivers:

#### Key strengths

##### Support from a strong and resourceful promoter, TCL

TCCSPL is a wholly owned subsidiary of TCL, which is part of the over US\$100 billion Tata group. The group comprises over 100 operating companies across sectors such as communications and information technology, engineering, materials, services, steel, auto, financial services, energy, consumer products, and chemicals. It has operations in over 100 countries across six continents, and its companies export products and services to 85 countries. TCL is one of the largest and strategically important companies within the Tata group and among its oldest businesses. TCL manages, TCCSPL's day-to-day operations and key divisions. TCCSPL is expected to receive strong managerial and operational support from TCL. The company also leverages TCL's expertise to expand its Internet of Things (IoT) business, and its board members are part TCL's key management.

##### Significant operational linkages with group companies

TCCSPL derives a major portion of its revenues from group companies, which provides substantial revenue visibility. In FY25, ~91% of TCCSPL's revenue was contributed by group companies. The company's audio and voice services are integrated with the network service offerings of its parent, TCL, enabling TCCSPL leverage TCL's existing customer base for its internet of things (IoT) offerings. Back-to-back billing arrangement exists with group companies for end-users, who are third-party customers, as the customer base and network services are interlinked with TCL.

##### Comfortable capital structure

The company's capital structure remains robust with nil long-term debt, low interest rates being part of the Tata group, and adequate accruals. Being part of the Tata group, the company enjoys significant market standing and financial flexibility.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

### Geographically diverse presence

TCCSPL offers services to clients, primarily group companies, in India and the United States of America. Following a change in revenue sharing, which is now accounted for in overseas subsidiaries of TCL, revenue increased to 92% in FY25 (PY: 82% [refers to April 01 to March 31]). The balance was contributed by overseas markets. CARE Ratings Limited (CareEdge Ratings) anticipates that the IoT business will follow similar trend.

### Key weaknesses

#### Moderate scale of operations and profitability

Total operating income (TOI) declined by 4.4% in FY25 (FY refers to April 01 to March 31) due to moderation in revenue from geographies outside India. PBILDT margin improved by 443 bps y-o-y, increasing from 21.05% in FY24 to 25.49% in FY25. This expansion was primarily driven by synergies from the IoT business acquired in FY23, which began contributing meaningfully in FY25.

#### Foreign exchange fluctuation risk

TCCSPL remain exposed to foreign exchange fluctuation and translation risks due to its operations across multiple geographies. However, as sales are denominated in US\$ and euro, the company off-sets a significant portion of this risk. TCCSPL manages its foreign exchange exposure by entering derivatives on net exposures.

#### Liquidity: Strong

Liquidity remains strong, marked by free cash and cash equivalents of ₹66.60 crore as on March 31, 2025. Against this, the company has nil debt repayment obligations, except lease liabilities of ₹0.19 crore. TCCSPL also has fungible limits aggregating ₹25 crore, with nil average utilisation for 12 months ended July 31, 2025. This provides an additional liquidity buffer in the form of unutilised fungible in case of unforeseen event. The company also enjoys significant financial flexibility as a 100% subsidiary of TCL.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

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### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Telecommunication	Telecommunication	Telecom - services	Other telecom services

TCCSPL (formerly known as Wirefree Internet Services Private Limited) was incorporated in India on April 24, 2008. The company's name changed from Wirefree Internet Services Private Limited to TCCSPL on February 25, 2016. The company provides telecommunication services, voice mail, audiotex services in India, including but not limited to cellular telephony, wireless and wireless services, cable television, internet and cable delivered multimedia; to build own and operate such networks and to undertake related management consultancy. The company holds licenses from the Department of Telecommunication (DoT) for providing voice mail/audiotext services in Mumbai, New Delhi, Bengaluru and Chennai for short distance charging areas (SDCAs).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	98.72	94.42
PBILDT	20.79	24.06
PAT	2.75	8.43
Overall gearing (times)	0.00	0.00
Interest coverage (times)	141.72	503.42

A: Audited UA: Unaudited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/Non-fund-based-LT/ST	-	-	-	-	30.00	CARE AA; Stable / CARE A1+

#### Annexure-2: Rating history for 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based/Non-fund-based-LT/ST	LT/ST	30.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (12-Sep-24)	1)CARE AA; Stable / CARE A1+ (28-Sep-23)	1)CARE AA-; Positive / CARE A1+ (29-Mar-23) 2)CARE AA-; Positive (25-Jan-23) 3)CARE AA-(CE); Positive (29-Jul-22)
2	Un Supported Rating-Un Supported Rating (Long Term)	LT	-	-	-	-	-	1)Withdrawn (25-Jan-23) 2)CARE A+ (29-Jul-22)

LT: Long term; LT/ST: Long term/Short term

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

#### Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based/Non-fund-based-LT/ST	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

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