Tata Teleservices (Maharashtra) Limited

September 07, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	1,341.50	CARE AA-; Stable / CARE A1+	Reaffirmed
Long-term bank facilities	RBI	1,090.00	CARE AA-; Stable	Reaffirmed
Short-term bank facilities	RBI	20.00	CARE A1+	Reaffirmed
Commercial paper	RBI	7,500.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities and instruments of Tata Teleservices (Maharashtra) Limited (TTML) primarily reflects the continued strong financial, operational, and managerial support expected from Tata Sons Private Limited (Tata Sons), the ultimate holding company. Tata Sons had infused an aggregate of ₹46,595 crore into Tata Tele Business Services (TTBS)[3] up to June 2019 and infused an additional ₹5,166 crore in FY26. Tata Sons also continues to provide a letter of support to TTML, expressing its commitment to undertake necessary financial measures to address liquidity shortfall for 12 months from the balance-sheet date.

Ratings also factor sustained improvement in TTML's operating performance over the past four years ending FY26. Though operating income of TTML dipped in FY26 to ₹1,160 crore from ₹1,308 crore in FY25, the company continues to show improvement in its profit before interest, lease rentals, depreciation, and tax (PBILDT) margins. PBILDT increased to ₹619 crore in FY26 from ₹573 crore in FY25. Consequently, the PBILDT margin improved to 53.37% in FY26 from 43.83% in FY25. The sustained improvement in profitability was primarily supported by reduced operating expenses and the expansion into small and medium enterprises (SMEs) increasingly adopting cloud-based solutions as businesses transition to digital operations. CareEdge Ratings expects the operating performance to improve gradually over the medium term, supported by the increasing adoption of cloud-based and digital solutions by SMEs.

CareEdge Ratings also takes cognisance of TTML's payment of its first out of six instalments of adjusted gross revenue (AGR) dues of ₹653 crore to the Department of Telecommunications (DoT) in March 2026, following the expiry of the moratorium on AGR-related dues. The payment was supported by issuance of commercial paper (CP), which were subsequently repaid using inter-corporate deposits of ₹805 crore received from Tata Teleservices Limited (TTSL) in Q1FY27. The funds infused by TTSL were ultimately infused by Tata Sons, which has also created provisions amounting to ₹20,065 crore in its standalone financial statements towards the AGR liabilities of TTBS as on March 31, 2026 (PY: ₹23,666 crore) including ₹2,607 crore for TTML, further demonstrating its commitment towards meeting TTML's financial and regulatory obligations.

However, the rating strengths are tempered by TTML's improving yet highly leveraged financial risk profile and the sizeable debt repayments falling due over the next five years ending FY31. While leverage and debt protection indicators have improved, they continue to remain weak in absolute terms. Ratings are also constrained by the exposure of the telecommunications industry to regulatory uncertainties, intense competition, rapid technological changes, and the capital-intensive nature of operations. Accordingly, continued and timely support from Tata Sons, together with TTML's ability to sustain the improvement in operating performance will remain key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant turnaround in the operational and financial performance of TTML, with improvement in profitability.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.
[3] TATA Tele Business Services is the umbrella brand under which both, TATA Teleservices (Maharashtra) Limited [TTML; subsidiary of TTSL (rated CARE AA-; Stable/ CARE A1+)] and TTSL, operate on account of similar business operations.

- External debt to earnings before interest, taxation, depreciation, and amortisation (EBIDTA) below 3.5x on a sustained basis.

Negative factors

- Change in stance of Tata Sons in supporting TTML or dilution of its controlling stake in TTML.
- Substantial deterioration in the credit profile of Tata Sons.

Analytical approach:

Standalone; factoring in operational and financial linkages with the holding company Tata Sons, which is integral to TTML's operations.
Ratings centrally derive comfort from the holding company's support, which is clearly articulated and demonstrated by the support letter issued by Tata Sons, indicating that it will take all necessary financial actions for shortfall in liquidity that may arise to meet the company's financial obligations and the timely payment of debt for ensuing 12 months. CareEdge Ratings has applied parent notch up framework to arrive at ratings of TTML.

Outlook: Stable

The Stable outlook factors in expected stability in the company's financial and operational performance, considering increasing data requirements by enterprises due to operations rapidly moving towards cloud-based solutions as businesses move away from on-premises solutions. The outlook factors in support letter issued by Tata Sons and past track record of support from Tata Sons, ensuring timely servicing of the company's debt obligations.

Detailed description of key rating drivers

Key strength

Entity integral to the Tata group

TTBS marked the foray of the Tata group in the telecom sector. Both companies have been continuously receiving financial and managerial support from Tata Sons had infused an aggregate of infused ₹51,761 crore, including ₹5,166 crore in FY26, into TTBS to fund operating losses, debt repayments, and capital expenditure, including support for meeting regulatory obligations. The payment of TTML's first instalment of DoT obligations amounting to ₹653 crore in March 2026, following the expiry of the AGR dues moratorium, was also supported indirectly through capital infusion from Tata Sons.

TTML's board comprises senior members of the Tata Group, providing management strength, strategic oversight, and business-specific expertise. Ratings derive significant comfort from the demonstrated support of Tata Sons and its commitment to undertake necessary financial measures to address any liquidity shortfall for 12 months from the balance-sheet date. Considering TTML's highly leveraged capital structure, sizeable regulatory obligations, and upcoming debt repayments, the continued and timely support from Tata Sons remains crucial.

Key weaknesses

Operating performance weighed in by profit after tax level losses

TTML's operating performance improved consistently over the past four years ending FY26, as reflected in the steady growth in PBILDT and expansion in operating margins. PBILDT improved to ₹619 crore in FY26 from ₹573 crore in FY25 and ₹472 crore in FY22. Consequently, the PBILDT margin improved to 53.37% in FY26 from 43.83% in FY25 and 43.17% in FY22. The sustained improvement in profitability was supported by reduced operating expenses and the expansion into SMEs increasingly adopting cloud-based solutions as businesses transition to digital operations.

TTML continued to report net losses, primarily due to elevated finance costs of ₹298 crore and ₹662 crore pertaining to its DoT obligations and compound financial instruments in FY26, respectively. The company reported a net loss of ₹215 crore (including an exceptional gain of ₹667 crore arising from the reassessment of provisions towards licence fees and Spectrum Usage Charges (SUC), corresponding amount was recognised as an exceptional loss by TTSL) in FY26 compared to ₹1,275 crore in FY25.

Hence, the company's ability to scale up operations with keeping margins stable remain a key monitorable.

Highly leveraged capital structure

TTML's capital structure continues to remain highly leveraged, with total debt remained stable at ₹20,869 crore as on March 31, 2026 compared to ₹20,416 crore as on March 31, 2025, including rupee term loans, CP, finance lease obligations, deferred payment liabilities and accrued interest on debt instruments. While the company's interest coverage ratios have consistently improved and its cash accruals remain sufficient to meet annual capex requirements, the accruals are expected to remain inadequate relative to its sizeable debt-servicing and regulatory obligations. In FY27 alone, TTML has repayment obligations of ₹2,315 crore towards bank debt and CP and ₹653 crore towards DoT obligations. The company's continued profit after tax (PAT)-level losses have adversely affected its net worth, resulting in a weak capital structure. Consequently, necessitating funding support from Tata Sons and/or refinancing from banks will remain crucial for timely servicing of debt and regulatory obligations.

Industry characterised by high competition, significant technology risks, and capital-intensive operations
Apart from existing broadband internet and wireless internet service providers, TTML continues to face competition from existing telecom companies providing similar services at competitive rates. Predatory pricing by new entrants in the broadband segment may adversely impact the company's market share. As the company is engaged in managed network services as well, it faces intense competition from established large-scale and small-scale tech companies entering the space. Fixed broadband providers are investing in technologies that offer faster broadband services. Changes in technology may impact broadband industry operations, as witnessed in the telecom industry. Rolling out a fixed broadband network requires significant capital investments over time. This involves designing a network, where last-mile connectivity is to be established. As a result, the service provider must incur ongoing operational expenditure (opex) or capex.

Liquidity: Adequate

TTML had cash and liquid investments of ₹38.53 crore as on March 31, 2026. TTML also had unissued CPs of ₹6,075 crore as of July 2026, which provides adequate liquidity to refinance existing debt and meet shortfalls in liquidity.
Being part of the Tata Group, TTML enjoys substantial financial flexibility, characterised by demonstrated continued support from Tata Sons. The company obtained a support letter from Tata Sons, indicating that it will take necessary financial actions to organise for shortfall in liquidity for 12 months from the balance sheet date.

Assumptions/Covenants

Name of Instrument – Term Loans	Detailed Explanation
A. Financial covenants	Not applicable
B. Non-financial covenants	1) Tata Sons and its affiliates will hold a minimum of 51% unencumbered voting equity stake in the company throughout the tenor of the facility. 2) Tata Sons and its affiliates will retain management control of the company throughout the tenor of the facility.

Environment, social, and governance (ESG) risks

TTML remains committed to a holistic and integrated approach towards adopting environment, social, and governance (ESG) principles in its businesses and has members in the Board of Directors (BoD) with expertise in ESG. The company provides its employees and associates with safe, healthy, and fair working conditions. The company continually works with its vendors and suppliers to reduce environmental impacts of sourcing and has clauses on sustainable sourcing and green initiatives in its procurement policy.

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
Infrastructure Sector Ratings
Short Term Instruments

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Telecommunication	Telecommunication	Telecom - Services	Telecom - Cellular & fixed line services

Incorporated on March 13, 1995, as Hughes Ispat Limited, TTML was acquired by the TATA group in December 2002. In 2016, TTML issued non-cumulative redeemable preference shares to TTSL, which entitled TTSL to additional voting rights of 26.26%, due to which, TTML became a subsidiary of TTSL. As on March 31, 2026, TTSL (the holding company) owns a 48.30% (74.36% voting rights) of the company's paid-up equity share capital and TATA Sons (the ultimate holding company) owns 19.58%. TTML is engaged in providing wireline voice and data services and managed network services to its customers under the common brand 'TATA Tele Business Services', with TTSL. The company holds a unified license in Maharashtra and Goa, and an Internet Service Provider (ISP) Category-A license and provides telecommunication and network services to its customers in Maharashtra and Goa.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	1,308.04	1,160.23	310.57
PBILDT	573.36	619.26	139.00
Profit after tax (PAT)	-1,275.32	-215.30	-72.15
Overall gearing (x)	NM	NM	NM
Interest coverage (x)	0.34	0.46	0.67

A: Audited; NM: Not meaningful, 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	RBI	Simple	Proposed				6075.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	RBI	Simple	INE517B14AG3	18-Nov-2025	6.8	18-Nov-2026	250.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	RBI	Simple	INE517B14AG3	18-Nov-2025	6.8	17-Nov-2026	600.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	RBI	Simple	INE517B14AJ7	09-Jun-2026	7.7	08-Sep-2026	300.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	RBI	Simple	INE517B14AJ7	09-Jun-2026	7.7	08-Sep-2026	275.00	CARE A1+
Fund-based - LT-Bank Overdraft	RBI	Simple	-		-	-	20.00	CARE AA-; Stable
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	RBI	Simple	-		-	-	1341.50	CARE AA-; Stable / CARE A1+
Non-fund-based - ST-Bank Guarantee	RBI	Simple	-		-	-	20.00	CARE A1+
Term Loan-Long Term	RBI	Simple	-		-	10-08-2028	1070.00	CARE AA-; Stable

ISIN's INE517B14AB4 and INE517B14AF5, which were reported in the Press Release dated October 09, 2025, have been redeemed.

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (28-Jun-24)	1)CARE AA-; Stable (29-Jun-23)
2	Non-fund-based - ST-Bank Guarantee	ST	20.00	CARE A1+	-	1)CARE A1+ (09-Oct-25) 2)CARE A1+ (27-Jun-25)	1)CARE A1+ (28-Jun-24)	1)CARE A1+ (29-Jun-23)
3	Commercial Paper-Commercial Paper (Standalone)	ST	7500.00	CARE A1+	-	1)CARE A1+ (09-Oct-25) 2)CARE A1+ (27-Jun-25)	1)CARE A1+ (28-Jun-24)	1)CARE A1+ (29-Jun-23)
4	Fund-based-Long Term	LT	-	-	-	-	1)Withdrawn (28-Jun-24)	1)CARE AA-; Stable (29-Jun-23)
5	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	1341.50	CARE AA-; Stable / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (09-Oct-25) 2)CARE AA-; Stable / CARE A1+ (27-Jun-25)	1)CARE AA-; Stable / CARE A1+ (28-Jun-24)	1)CARE AA-; Stable / CARE A1+ (29-Jun-23)
6	Fund-based - LT-Bank Overdraft	LT	20.00	CARE AA-; Stable	-	1)CARE AA-; Stable (09-Oct-25)	1)CARE AA-; Stable (28-Jun-24)	1)CARE AA-; Stable (29-Jun-23)

						2)CARE AA-; Stable (27-Jun-25)		
7	Term Loan-Long Term	LT	1070.00	CARE AA-; Stable	-	1)CARE AA-; Stable (09-Oct-25)	-	-

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

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

Annexure-4: 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 for clarifications.

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About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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