

23 April 2026

India | Equity Research | Results Update

Tata Communication

Telecom

New management to focus on profitable growth

TCom's Q4FY26 print shows an uptick in EBITDA for data business (+17.6% YoY), though partially helped by INR's depreciation while its order book (OB) continues to grow in healthy double digits. Digital revenue grew a healthy 19% YoY alongside EBITDA losses shrinking in Q4FY26. New management's focus appears to aim for durable and profitable growth. It sees strong demand for digitising supply chain, and implementation of AI agents across services. It notes scope for improving communication and awareness on TCom's products and capabilities, particularly on AI enablement. Management is likely to share its priorities and medium-term outlook in the upcoming annual investor meeting, including earlier guidance of data revenue at INR 280bn by FY28. We tweak our FY27/28E EBITDA by 1–2%, while a higher EPS cut is due to higher effective tax rate assumption. Our SoTP-based TP is revised to INR 2,100 (vs. INR 2,250 earlier) while we keep the core business EV/EBITDA multiple unchanged at 12x. Maintain **BUY**.

Double-digit YoY OB growth

TCom's OB trajectory has shown stable-to-improving momentum, exhibited by double-digit growth helped by a robust funnel with 70% contribution from digital services. Network transformation was a key theme for TCom in Q4FY26; its ISO hybrid WAN, especially, has been a win across regions. In Q4FY26, TCom had three notable wins. First, it won two international deals – one with a global wine major and another with a large automotive services player, as it continues to gain traction in international deals. Second, TCom was selected by a leading global bank to establish their global capability centre (GCC) in India. It includes both network fabric and interaction fabric. TCom aims to capitalise on the GCC growth in India. And third, it won a large managed secure edge services for a leading life insurance company by demonstrating the strength in its integrated collaboration offering across 155 locations. Notably, TCom's OB has grown in healthy double-digits for the past two years now.

Data revenue jumps 11.5% YoY/6.1% QoQ to INR 57bn

Net data revenue rose 4.5% QoQ/10.2% YoY to INR 32bn. Core connectivity revenue rose 2.8% QoQ/4.5% YoY to INR 28bn, benefiting from the execution of a large DC-to-DC connectivity deal. Digital revenue grew 19.2% YoY/ 9.4% QoQ to INR 29.1bn; it has shown acceleration in revenue growth with the execution of orders won in earlier quarters. Further, revenue growth has benefited from INR depreciation (higher INR revenue translation). TCom's total revenue grew 5.9% QoQ/ 9.4% YoY; adjusted for forex it was up 3.8% QoQ/ 3.7% YoY.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	2,31,086	2,48,027	2,70,507	2,95,176
EBITDA	45,690	48,225	54,228	62,740
EBITDA Margin (%)	19.8	19.4	20.0	21.3
Net Profit	9,338	11,417	15,823	22,770
EPS (INR)	64.4	35.1	55.5	79.9
EPS % Chg YoY	(22.4)	22.3	38.6	43.9
P/E (x)	46.5	38.1	27.5	19.1
EV/EBITDA (x)	11.6	11.0	9.7	8.2
RoCE (%)	9.9	10.2	13.4	17.2
RoE (%)	38.8	35.3	40.3	44.8

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Market Data

Market Cap (INR)	435bn
Market Cap (USD)	4,631mn
Bloomberg Code	TCOM IN
Reuters Code	TATA.BO
52-week Range (INR)	2,004 /1,323
Free Float (%)	41.0
ADTV-3M (mn) (USD)	6.3

Price Performance (%)	3m	6m	12m
Absolute	(1.5)	(20.4)	(4.6)
Relative to Sensex	3.1	(13.4)	(3.3)

ESG Score	2024	2025	Change
ESG score	70.9	73.9	3.0
Environment	51.2	62.2	11.0
Social	73.4	74.6	1.2
Governance	81.9	80.9	(1.0)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY27E	FY28E
Revenue	0.8	1.0
EBITDA	(0.9)	(1.5)
EPS	(10.1)	(9.2)

Previous Reports

22-01-2026: [Q3FY26 results review](#)

16-10-2025: [Q2FY26 results review](#)

Digital revenue up 19.2% YoY/9.4% QoQ to INR 29.1bn

Gross digital revenue has grown to more than 50% of data revenue now. Net revenue rose 16% YoY/14% QoQ to INR 9.4bn. Collaboration revenue increased 31.2% YoY/8.1% QoQ to INR 15bn – helped by volume growth in CPaaS services. AI Commotion is finding good traction with customers. Cloud and security grew 4.4% YoY/4.5% QoQ to INR 5.4bn. Next-gen connectivity was up 20.3% YoY/6.8% QoQ to INR 3.1bn. Media services revenue rose 6.6% YoY/20.2% QoQ to INR 3.7bn. Incubation revenue rose 8.2% YoY to INR 1.9bn; the company is focusing on profitability in MOVE IoT.

Data EBITDA margin at 18.4%, down 47bp QoQ

Data business' EBITDA grew 17.6% YoY/3.4% QoQ to INR 10.5bn. EBITDA margin was at 18.4%, down 47bp QoQ (partly on rising contribution of low-margin digital revenue). Net revenue margin in digital services improved 130bp QoQ. Consol. EBITDA margin stood at 19.6%, down 20bp QoQ. TCR EBITDA margin improved further, 860bp QoQ to 60.2%; sustainable margins should stabilise in the mid-50s.

Net debt down by INR 4.8bn

TCom's capex stood at INR 5.4bn in Q4FY26 (8.3% of revenue) and INR 23.8bn in FY26 (9.6% of revenue). Net debt decreased by INR 4.8bn QoQ to INR 96bn. The company has proposed dividend of INR 17.5/share (INR 25/share in FY25).

Other highlights

- The Middle East situation can potentially create certain demand risk as a few F1 events can get postponed and cancelled. However, TCom does not see any cost related challenges for including energy and chip related costs.
- DC-to-DC connectivity is good, creating healthy demand for TCom's resilient network and provisions bandwidth on demand. The company expects at least USD 1bn opportunity by CY30 from DC-to-DC connectivity, as data centre capacities are expected to grow exponentially in India.
- TCom is witnessing high traction for its newer unique solutions like multi-cloud connect and employee interaction suite. These are high profitability products that could improve the company's margins.
- Depreciation increased 8.7% QoQ to INR 7.3bn on the back of a one-off cost recognition related to IRU deal, effective Apr'25.
- TCom believes the company is entering a phase where it will prioritise profitable growth with disciplined capital allocation. Management's priority ahead would be higher growth and profitability along with quality and durability of growth.
- The company aims to achieve break-even in digital portfolio at the earliest, as losses have ebbed in Q4FY26.
- STT India is looking for a potential IPO and it could provide an opportunity of right value discovery to TCom. It believes the IPO will likely open up an opportunity to monetise its stake; however, a firm decision would be taken closer to the IPO (expected in CY27).

Risks

Downside risks: **1)** Slower-than-expected execution in digital services revenue. **2)** Continuous investments putting pressure on margins. **3)** Delay in turnaround of acquisition portfolio.

Upside risks: **1)** Faster-than-expected growth in digital services and margin profile, particularly in AI-backed business. **2)** Quicker turnaround of acquisition business. **3)** TCom achieving guidance within the targeted timeframe.

Q4FY26 result: Other highlights

Data business

- **Data revenue** rose 11.5% YoY/ 6.1% QoQ to INR 57bn and net revenue rose 10.2% YoY/ 4.5% QoQ to INR 32bn (after deducting direct cost). Segmental EBITDA was up 17.6% YoY/ 3.4% QoQ to INR 10.5bn. EBITDA margin came in at 18.4% in Q4FY26, down 47bp QoQ.
- **Data revenue by geography:** Data revenue in India rose 5.9% YoY/ 1.9% QoQ to INR 22.7bn. International revenue grew 15.6% YoY/ 9% QoQ to INR 34.2bn.
- **Data revenue by customer:** Enterprise revenue rose 5.7% QoQ/ 7.1% YoY to INR 43.6bn, and service providers' revenue rose 7.2% QoQ/ 29.2% YoY to INR 13.2bn.
- **Data revenue by services:** Core connectivity revenue increased 2.8% QoQ/4.5% YoY to INR 28bn.
- **Within core connectivity,** enterprise revenue rose 5.5% YoY/ 3.2% QoQ to INR 20bn, while service providers' revenue increased 1.9% YoY/ 1.7% QoQ to INR 7.8bn.
- **Digital platform and services'** revenue increased 9.4% QoQ/19.2% YoY to INR 29.1bn. Digital services net revenue rose 14% QoQ/ 16% YoY to INR 9.4bn.
- **Within digital services,** collaboration rose 8.1% QoQ/ 31.2% YoY. Next-gen grew 6.8% QoQ/ 20.3% YoY. Cloud & security revenue was up 4.5% QoQ/ 4.4% YoY. Media revenue was up 20.2% QoQ/ 6.6% YoY. Incubation revenue rose 20.8% QoQ/ 8.2% YoY to INR 1.9bn.
- **Transformation services:** TCTS' revenue increased 3.9% QoQ/ down 32.9% YoY to INR 2bn; EBITDA stood at INR 461mn, up 8.6% QoQ (vs. INR 425mn in Q3FY26); margin stood at 23.3%.
- **TCR (Campaign Registry):** Revenue grew 8.4% QoQ/ 30.1% YoY to INR 2.4bn; EBITDA increased 26.4% QoQ/ 7.7% YoY to INR 1.4bn. EBITDA margin stood at 60.2% (up from 51.6% in Q3FY26).
- **Capex** for the quarter stood at INR 5.4bn, or 8.3% of revenue in Q4FY26.
- **Net debt** decreased by INR 4.8bn QoQ to INR 96bn.

Voice business

- Revenue increased 3.6% YoY/3.9% QoQ to INR 3.9bn. Net revenue fell 28.2% YoY/ 12.5% QoQ to INR 658mn.
- EBITDA stood at INR 240mn, down 45.5% YoY/25.5% QoQ; EBITDA margin stood at 6.2%.

Exhibit 1: Q4FY26 result review (consolidated)

(INR mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ (%)	YoY (%)
Revenue	59,904	59,599	60,998	61,890	65,542	5.9	9.4
Personnel cost	11,361	12,178	12,696	12,115	12,401	2.4	9.2
% of revenue	19.0	20.4	20.8	19.6	18.9		
Network Costs	27,125	27,291	27,154	28,363	30,811	8.6	13.6
% of revenue	45.3	45.8	44.5	45.8	47.0		
Operating & other Expenses	10,197	8,762	9,412	9,131	9,490	3.9	(6.9)
% of revenue	17.0	14.7	15.4	14.8	14.5		
EBITDA	11,221	11,368	11,736	12,281	12,839	4.5	14.4
EBITDA margin (%)	18.7	19.1	19.2	19.8	19.6		
Depreciation and amortisation	6,725	6,657	6,788	7,513	7,310	(2.7)	8.7
EBIT	4,496	4,711	4,948	4,768	5,529	16.0	23.0
Interest	1,824	1,765	2,020	2,014	1,817	(9.8)	(0.4)
Other income	688	171	(172)	2,593	426	(83.6)	(38.1)
PBT	3,360	3,117	2,756	5,347	4,138	(22.6)	23.2
Exceptional items	8,890	(626)	(210)	(768)	203		
Provision for tax	1,759	654	821	1,008	1,833	81.8	4.2
Minority interest	232	64	106	82	124		
Net income (reported)	10,722	1,900	1,831	3,653	2,633	(27.9)	(75.4)
EPS (INR)	37.6	6.7	6.4	12.8	9.2		

Source: I-Sec research, Company data

Exhibit 2: Segmental performance – data EBITDA was up 17.6% YoY/ 3.4% QoQ

(INR mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ (%)	YoY (%)
Revenue							
Voice	3,741	3,945	4,060	3,732	3,876	3.9	3.6
Data	50,961	51,302	51,789	53,588	56,838	6.1	11.5
Subsidiaries	4,763	3,860	4,663	4,078	4,334	6.3	(9.0)
Real Estate	438	491	486	492	493	0.3	12.7
Core business	59,903	59,598	60,998	61,890	65,542	5.9	9.4
Net Revenue							
Voice	916	832	815	752	658	(12.5)	(28.2)
Data	29,102	29,731	30,001	30,687	32,069	4.5	10.2
Subsidiaries	2,850	1,847	2,828	2,841	2,976	4.7	4.4
Real Estate	437	490	485	491	492	0.3	12.7
Core business	33,305	32,900	34,130	34,772	36,195	4.1	8.7
EBITDA							
Voice	440	436	412	321	240	(25.5)	(45.5)
Data	8,910	8,813	9,643	10,133	10,483	3.4	17.6
Subsidiaries	1,664	1,839	1,431	1,544	1,876	21.5	12.8
Real Estate	207	279	250	282	241	(14.6)	16.3
Core business	11,221	11,368	11,736	12,281	12,839	4.5	14.4
EBITDA margin (%)							
Voice	11.7	11.1	10.2	8.6	6.2		
Data	17.5	17.2	18.6	18.9	18.4		
Subsidiaries	34.9	47.7	30.7	37.9	43.3		
Real Estate	47.4	56.9	51.5	57.4	48.9		
Core business	18.7	19.1	19.2	19.8	19.6		

Source: I-Sec research, Company data

Exhibit 3: India revenue rose 5.9% YoY while international revenue was up 15.6% YoY

Data by geography (INR mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ (%)	YoY (%)
Revenue							
India	21,411	21,757	20,286	22,265	22,684	1.9	5.9
International	29,550	29,545	31,503	31,324	34,155	9.0	15.6
Total	50,961	51,302	51,789	53,588	56,838	6.1	11.5
Mix (%)							
India	42.0	42.4	39.2	41.5	39.9		
International	58.0	57.6	60.8	58.5	60.1		

Source: I-Sec research, Company data

Exhibit 4: Enterprise revenue was up 7.1% YoY

(INR mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ (%)	YoY (%)
GDS revenue - by customer INR							
Service provider	10,234	13,593	12,073	12,326	13,218	7.2	29.2
Enterprise segment	40,728	37,709	39,716	41,262	43,620	5.7	7.1
Total	50,961	51,302	51,789	53,588	56,838	6.1	11.5
Mix (%)							
Service provider	20.1	26.5	23.3	23.0	23.3		
Enterprise segment	79.9	73.5	76.7	77.0	76.7		

Source: I-Sec research, Company data

Exhibit 5: Digital platform and services revenue rose 19.2% YoY/ 9.4% QoQ

Data by Services (INR mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ (%)	YoY (%)
Gross revenue							
Core connectivity	26,562	26,198	26,366	26,999	27,745	2.8	4.5
Digital platforms & services	24,399	25,105	25,423	26,589	29,093	9.4	19.2
Total	50,961	51,302	51,789	53,588	56,838	6.1	11.5
Direct cost							
Core connectivity	5,553	5,534	5,167	4,545	5,065	11.5	(8.8)
Digital platforms & services	16,306	16,038	16,621	18,356	19,705	7.3	20.8
Total	21,860	21,572	21,788	22,901	24,770	8.2	13.3
Net revenue							
Core connectivity	21,008	20,663	21,198	22,455	22,680	1.0	8.0
Digital platforms & services	8,093	9,067	8,803	8,233	9,389	14.0	16.0
Total	29,102	29,731	30,001	30,687	32,069	4.5	10.2

Source: I-Sec research, Company data

Exhibit 6: Within digital services, revenue growth was aided by collaboration & CPaaS and next gen connectivity

Data by Services (INR mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ (%)	YoY (%)
Core connectivity							
Service Provider	7,610	8,610	7,904	7,621	7,751	1.7	1.9
Enterprise	18,952	17,588	18,462	19,378	19,994	3.2	5.5
Digital platforms & services							
Collaboration & CPaaS	11,437	11,715	12,578	13,882	15,007	8.1	31.2
Cloud, Hosting and Security	5,139	5,276	4,694	5,136	5,366	4.5	4.4
Next Gen Connectivity	2,581	2,716	2,798	2,907	3,104	6.8	20.3
Media Services	3,513	3,898	3,736	3,115	3,746	20.2	6.6
Incubation	1,729	1,501	1,618	1,549	1,870	20.8	8.2

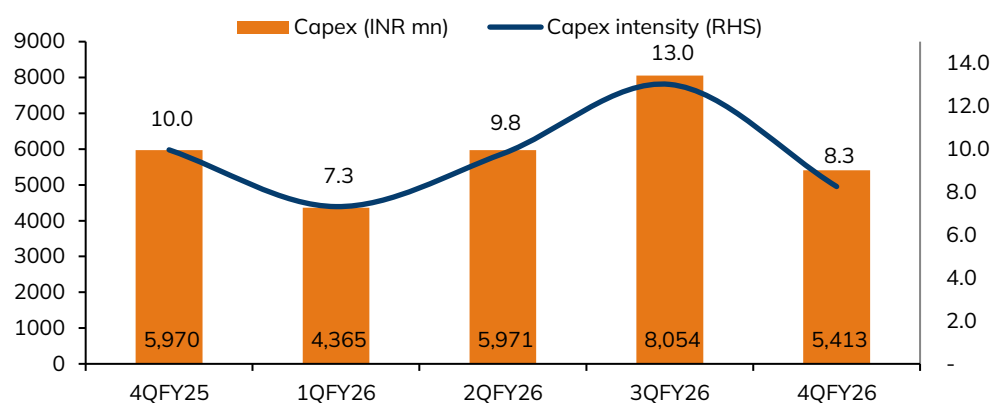
Source: I-Sec research, Company data

Exhibit 7: Subsidiaries' performance

(INR mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ (%)	YoY (%)
TCTS (Transformation services)							
Gross Revenue	2,955	1,967	2,640	1,908	1,983	3.9	(32.9)
Net Revenue	1,205	130	958	801	838	4.6	(30.4)
EBITDA	350	471	540	425	461	8.6	31.9
EBITDA (%)	11.8	23.9	20.4	22.3	23.3		
TCR							
Gross Revenue	1,808	1,893	2,023	2,170	2,351	8.4	30.1
Net Revenue	1,646	1,717	1,870	2,040	2,138	4.8	29.9
EBITDA	1,314	1,369	892	1,119	1,415	26.4	7.7
EBITDA (%)	72.7	72.3	44.1	51.6	60.2		
Real estate							
Gross Revenue	438	491	486	492	493	0.3	12.7
EBITDA	207	279	250	282	241	(14.6)	16.3
EBITDA (%)	47.4	56.9	51.5	57.4	48.9		

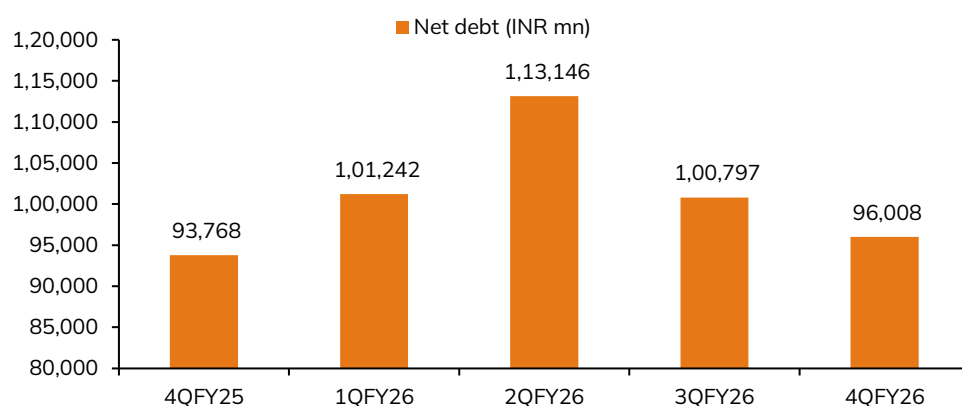
Source: I-Sec research, Company data

Exhibit 8: Capex intensity stood at 8.3% of revenue in Q4FY26



Source: I-Sec research, Company data

Exhibit 9: Net debt was down by INR 4.8bn QoQ in Q4



Source: I-Sec research, Company data

Financials

Exhibit 10: Segmental performance

(INR mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	CAGR (% FY26-28E)
Voice								
Revenue	22,864	20,542	16,991	16,328	15,612	13,516	11,376	(14.6)
Growth (%)	(18.1)	(10.2)	(17.3)	(3.9)	(4.4)	(13.4)	(15.8)	
% of total revenue	13.7	11.5	8.1	7.1	6.3	5.0	3.9	
EBITDA	1,534	3,410	2,187	1,862	1,409	946	796	(24.8)
EBITDA (%)	6.7	16.6	12.9	11.4	9.0	7.0	7.0	
Growth (%)	(11.2)	122.4	(35.9)	(14.8)	(24.3)	(32.9)	(15.8)	
% of total EBITDA	3.6	7.9	5.2	4.1	2.9	1.7	1.3	
Data								
Revenue	1,27,795	1,40,970	1,71,805	1,95,272	2,13,518	2,37,039	2,62,821	10.9
Growth (%)	1.4	10.3	21.9	13.7	9.3	11.0	10.9	
% of total revenue	76.4	79.0	81.9	84.5	86.1	87.6	89.0	
EBITDA	39,897	38,070	36,616	36,520	38,304	45,025	53,188	17.8
EBITDA (%)	31.2	27.0	21.3	18.7	17.9	19.0	20.2	
Growth (%)	0.4	(4.6)	(3.8)	(0.3)	4.9	17.5	18.1	
% of total EBITDA	94.4	88.2	86.6	79.9	79.4	83.0	84.8	
Others (subsidiaries, RE)								
Revenue	16,603	16,890	20,892	20,291	18,897	19,952	20,980	5.4
Growth (%)	(2.9)	1.7	23.7	(2.9)	(6.9)	5.6	5.2	
% of total revenue	9.9	9.5	10.0	8.8	7.6	7.4	7.1	
EBITDA	847	1,710	3,498	7,376	7,744	8,257	8,756	6.3
EBITDA (%)	5.1	10.1	16.7	36.4	41.0	41.4	41.7	
Growth (%)	(28.1)	102.0	104.6	110.8	5.0	6.6	6.1	
% of total EBITDA	2.0	4.0	8.3	16.1	16.1	15.2	14.0	

Source: I-Sec research, Company data

Exhibit 11: Data segment revenue

(INR mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	CAGR (% FY26-28E)
Data revenue	1,27,795	1,40,970	1,71,805	1,95,272	2,13,518	2,37,039	2,62,821	10.9
Growth (%)	1.4	10.3	21.9	13.7	9.3	11.0	10.9	
Core connectivity	90,387	95,570	1,01,272	1,04,097	1,07,307	1,11,264	1,15,291	3.7
Growth (%)	1.4	5.7	6.0	2.8	3.1	3.7	3.6	
Digital platform & services	37,407	45,400	70,533	91,175	1,06,211	1,25,775	1,47,530	17.9
Growth (%)	1.5	21.4	55.4	29.3	16.5	18.4	17.3	
Data net revenue	91,728	99,530	1,10,058	1,17,097	1,22,488	1,33,491	1,45,718	9.1
Growth (%)	1.0	8.5	10.6	6.4	4.6	9.0	9.2	
Core connectivity	73,348	77,390	81,405	83,718	86,997	90,204	93,469	3.7
Growth (%)	0.3	5.5	5.2	2.8	3.9	3.7	3.6	
Digital platform & services	18,380	22,140	28,653	33,379	35,492	43,287	52,250	21.3
Growth (%)	3.8	20.5	29.4	16.5	6.3	22.0	20.7	
Core connectivity								
Services providers	32,515	31,603	31,585	32,496	31,886	31,317	30,786	(1.7)
Growth (%)	(8.3)	(2.8)	(0.1)	2.9	(1.9)	(1.8)	(1.7)	
Enterprises	57,872	63,967	69,688	71,602	75,422	79,947	84,504	5.8
Growth (%)	7.8	10.5	8.9	2.7	5.3	6.0	5.7	
Digital services								
Collab & CPaaS	15,019	15,337	29,496	44,797	53,181	62,140	71,560	16.0
Growth (%)	(18.9)	2.1	92.3	51.9	18.7	16.8	15.2	
Cloud & Security	9,902	12,591	14,507	17,767	20,472	24,566	29,479	20.0
Growth (%)	10.1	27.2	15.2	22.5	15.2	20.0	20.0	
Next Gen Connectivity	5,817	7,010	9,766	9,316	11,525	13,830	16,596	20.0
Growth (%)	22.0	20.5	39.3	(4.6)	23.7	20.0	20.0	
Media	4,512	5,792	12,110	12,853	14,495	17,394	20,872	20.0
Growth (%)	37.7	28.4	109.1	6.1	12.8	20.0	20.0	
Incubation	2,149	4,660	4,653	6,441	6,538	7,845	9,022	17.5
Growth (%)	67.7	116.9	(0.1)	38.4	1.5	20.0	15.0	

Source: I-Sec research, Company data

Exhibit 12: Consolidated P&L

(INR mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	CAGR (% FY26-28E)
Revenue	1,67,247	1,78,383	2,09,688	2,31,086	2,48,027	2,70,507	2,95,176	9.1
Growth (%)	(2.2)	6.7	17.5	10.2	7.3	9.1	9.1	
Network opex	61,995	63,755	80,864	1,00,478	1,13,618	1,21,112	1,29,724	6.9
% of revenue	37.1	35.7	38.6	43.5	45.8	44.8	43.9	
Employee cost	30,403	35,975	44,530	45,573	49,389	53,340	57,608	8.0
% of revenue	18.2	20.2	21.2	19.7	19.9	19.7	19.5	
Other expenses	32,582	35,471	41,993	39,345	36,795	41,826	45,104	10.7
% of revenue	19.5	19.9	20.0	17.0	14.8	15.5	15.3	
Total expenses	1,24,980	1,35,200	1,67,387	1,85,396	1,99,803	2,16,279	2,32,436	7.9
Growth (%)	(2.7)	8.2	23.8	10.8	7.8	8.2	7.5	
EBITDA	42,267	43,182	42,301	45,690	48,225	54,228	62,740	14.1
EBITDA (%)	25.3	24.2	20.2	19.8	19.4	20.0	21.3	
Growth (%)	(0.8)	2.2	(2.0)	8.0	5.5	12.4	15.7	
D&A	22,045	22,618	24,697	25,921	28,267	28,867	29,235	1.7
EBIT	20,222	20,564	17,604	19,769	19,957	25,361	33,506	29.6
Growth (%)	3.9	1.7	(14.4)	12.3	1.0	27.1	32.1	
Other income	3,321	3,632	2,825	1,303	3,017	1,610	1,661	(25.8)
Finance cost	3,603	4,325	6,442	7,291	7,616	6,696	5,786	(12.8)
PBT	19,940	19,871	13,988	13,782	15,359	20,275	29,381	38.3
Growth (%)	18.5	(0.3)	(29.6)	(1.5)	11.4	32.0	44.9	
Exceptional item	60	764	(2,357)	9,026	(1,402)	-	-	
Tax	5,221	2,966	2,135	4,865	4,316	5,090	7,375	30.7
ETR (%)	26.2	14.9	15.3	35.3	28.1	25.1	25.1	
Minority	(39)	(291)	(188)	(421)	(375)	(637)	(765)	
PAT	14,818	17,960	9,683	18,364	10,016	15,823	22,770	50.8
Growth (%)	18.5	21.2	(46.1)	89.6	(45.5)	58.0	43.9	
EPS (INR)	52	63	34	64	35	56	80	50.8
Growth (%)	18.5	21.2	(46.1)	89.6	(45.5)	58.0	43.9	

Source: I-Sec research, Company data

Exhibit 13: Balance sheet parameters

(INR mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	CAGR (% FY26-28E)
Capital productivity								
Gross block	3,40,635	3,48,199	3,59,309	3,55,228	4,10,811	4,36,359	4,63,185	6.2
Data rev/ GB (x)	0.38	0.40	0.48	0.55	0.52	0.54	0.57	
EBITDA/ GB (x)	0.12	0.12	0.12	0.13	0.12	0.12	0.14	
Capex	16,564	14,931	20,823	22,056	24,332	25,548	26,826	5.0
intensity (% of data rev)	13.0	10.6	12.1	11.3	11.4	10.8	10.2	
Dep/ capex (x)	1.3	1.5	1.2	1.2	1.2	1.1	1.1	
Capital employed	85,394	87,667	1,16,192	1,36,163	1,37,437	1,36,931	1,45,593	2.9
pre-tax ROCE (%)	21.3	23.0	16.6	15.1	14.0	17.9	23.2	
Leverage								
Net debt	67,206	57,114	91,260	93,769	95,904	90,058	81,506	(7.8)
ND/ EBITDA (x)	1.6	1.3	2.2	2.1	2.0	1.7	1.3	
AGR dues (contingent)				77,771	77,771	77,771	77,771	
AGR/ EBITDA (x)				1.7	1.6	1.4	1.2	
Cash conversion								
Inventory days	1	3	1	2	1	1	1	
Debtor days	56	56	65	63	61	62	63	
Creditor days	66	67	64	56	54	52	50	
Cash conversion	(8)	(8)	3	9	8	11	14	

Source: I-Sec research, Company data

Exhibit 14: Concise cashflow statement

(INR mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	CAGR (% FY26-28E)
Ops CF (after tax & lease)	42,449	40,868	39,306	35,232	36,598	44,059	50,413	17.4
% of EBITDA	100.4	94.6	92.9	77.1	75.9	81.2	80.4	
Chg. in WC	(4,052)	(552)	(11,004)	(10,113)	2,476	(1,249)	(1,801)	
CFO	38,397	40,317	28,302	25,119	39,074	42,809	48,611	11.5
% of revenue	23.0	22.6	13.5	10.9	15.8	15.8	16.5	
Capex	(16,564)	(14,931)	(20,823)	(22,056)	(24,332)	(25,548)	(26,826)	
FCF	21,833	25,385	7,479	3,063	14,742	17,261	21,785	21.6
% of EBIT	108.0	123.4	42.5	15.5	73.9	68.1	65.0	
Finance cost	(2,476)	(3,487)	(5,278)	(5,635)	(4,976)	(6,696)	(5,786)	
FCFE	19,356	21,898	2,201	(2,572)	9,767	10,565	15,999	28.0
Acquisitions	(1,696)	(905)	(12,708)	(527)	-	-	-	
Dividend	(4,016)	(5,930)	(6,014)	(4,772)	(7,125)	(6,329)	(9,108)	

Source: I-Sec research, Company data

Peer comparison

Exhibit 15: Telecom valuation snapshot

	CMP (INR)	MCap (INR bn)	TP (INR)	Rating	Revenue (INR bn)			CAGR (%) FY26- 28E	Cash EBITDA (INR bn)			CAGR (%) FY26-28E
					FY26E	FY27E	FY28E		FY26E	FY27E	FY28E	
Bharti Airtel	1,829	10,523	2,600	BUY	2,107	2,412	2,645	12.1	984	1,176	1,323	15.9
Bharti Hexacom	1,550	775	1,960	BUY	93	109	122	14.2	41	52	60	21.3
Vodafone Idea	9.5	681	10	HOLD	450	515	563	11.8	82	127	147	33.4
Tata Comm	1,525	435	2,100	BUY	248	271	295	9.1	48	54	63	14.1
Indus Towers	408	1,100	390	REDUCE	333	357	378	6.6	132	139	147	5.7
Railtel Corp	332	106	290	SELL	42	48	56	15.8	6	7	8	11.0

Source: I-Sec research, Company data

Exhibit 16: Telecom valuation snapshot

	PE (x)		EV/EBITDA (x)		FCF yield (%)		ROCE (pre-tax, %)		ND/ cash EBITDA (x)		Capex (% of revenue)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Bharti Airtel	29.6	23.6	9.4	8.1	7.1	7.2	29.9	35.2	0.4	0.1	16.5	14.6
Bharti Hexacom	31.8	25.5	15.0	12.7	4.2	4.9	35.6	40.1	0.1	(0.3)	14.4	13.6
Vodafone Idea			21.9	19.6	2.9	1.8	2.0	3.9	16.6	14.9	29.1	17.8
Tata Comm	27.5	19.1	9.7	8.2	3.1	4.1	17.9	23.2	1.7	1.3	9.4	9.1
Indus Towers	14.2	13.2	7.3	6.8	6.8	8.1	18.1	18.8	(0.6)	(0.6)	10.1	8.5
Railtel Corp	24.9	21.5	14.6	12.9	0.1	0.0	20.5	21.1	(0.8)	(0.6)	8.2	7.8

Source: I-Sec research, Company data

Band chart

Exhibit 17: TCom's one-year forward EV/EBITDA



Source: I-Sec research, Bloomberg

Exhibit 18: Earnings revision

INR mn	New		Old		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Segment revenue						
Voice	13,516	11,376	13,234	11,139	2.1	2.1
Data (incl. subsidiary)	2,37,039	2,62,821	2,37,505	2,62,762	(0.2)	0.0
Segment EBITDA						
Voice	946	796	926	780	2.1	2.1
Data (incl. subsidiary)	45,025	53,188	45,000	53,564	0.1	(0.7)
Consolidated						
Revenue	2,70,507	2,95,176	2,68,250	2,92,308	0.8	1.0
EBITDA	54,228	62,740	54,730	63,669	(0.9)	(1.5)
EBITDA margin (%)	20.0	21.3	20.4	21.8		
PAT	15,823	22,770	17,602	25,066	(10.1)	(9.2)
EPS (INR)	56	80	62	88	(10.1)	(9.2)

Source: I-Sec research, Company data

Exhibit 19: TCom's SoTP-based valuation

(INR mn)	FY28E
Consolidated	
EBITDA (adj. IND AS 116)	56,284
Multiple (x)	12.0
EV	6,75,411
Less net debt	81,506
Equity value...(a)	5,93,905
Data Centre	
EBITDA	10,281
Multiple (x)	15.0
EV	1,54,213
TCom stake (%)	26.0
Attributable EV... (b)	40,095
EV (a + b)	7,15,506
Less net debt	81,506
Equity value	6,34,000
Outstanding shares (mn)	285
Equity value per share (INR)	2,225
Pending AGR liability (50%)	136
Fair value (INR/sh)	2,100

Source: Company data, I-Sec research

Exhibit 20: Shareholding pattern

%	Sep'25	Dec'25	Mar'26
Promoters	58.9	58.9	58.9
Institutional investors	32.7	33.0	33.6
MFs and other	16.7	16.1	16.7
Banks/ FIs	0.0	0.0	0.1
Insurance Cos.	2.2	2.3	2.4
FII's	13.8	14.6	14.4
Others	8.4	8.1	7.6

Source: Bloomberg, I-Sec research

Exhibit 21: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 22: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	2,31,086	2,48,027	2,70,507	2,95,176
Operating Expenses	1,85,396	1,99,803	2,16,279	2,32,436
EBITDA	45,690	48,225	54,228	62,740
EBITDA Margin (%)	19.8	19.4	20.0	21.3
Depreciation & Amortization	25,921	28,267	28,867	29,235
EBIT	19,769	19,957	25,361	33,506
Interest expenditure	7,291	7,616	6,696	5,786
Other Non-operating Income	1,303	3,017	1,610	1,661
Recurring PBT	22,807	13,957	20,275	29,381
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	4,865	4,316	5,090	7,375
PAT	17,942	9,641	15,185	22,005
Less: Minority Interest	(421)	(375)	(637)	(765)
Extraordinaries (Net)	9,026	(1,402)	-	-
Net Income (Reported)	18,364	10,016	15,823	22,770
Net Income (Adjusted)	9,338	11,417	15,823	22,770

Source Company data, I-Sec research

Exhibit 23: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	80,451	88,742	90,037	1,00,878
of which cash & cash eqv.	5,874	6,953	2,799	6,352
Total Current Liabilities & Provisions	1,10,623	1,23,872	1,28,072	1,33,559
Net Current Assets	(30,172)	(35,130)	(38,035)	(32,681)
Investments	27,139	24,845	24,845	24,845
Net Fixed Assets	1,16,559	1,20,959	1,23,357	1,26,665
ROU Assets	14,304	16,053	16,053	16,053
Capital Work-in-Progress	10,999	8,503	8,503	8,503
Total Intangible Assets	19,325	24,428	24,428	24,428
Other assets	-	-	-	-
Deferred Tax Assets	8,067	9,012	9,012	9,012
Total Assets	1,55,224	1,60,167	1,59,661	1,68,323
Liabilities				
Borrowings	1,08,801	1,05,817	95,817	90,817
Deferred Tax Liability	1,407	1,167	1,167	1,167
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Equity Share Capital	2,850	2,850	2,850	2,850
Reserves & Surplus	27,362	31,620	41,114	54,776
Total Net Worth	30,212	34,470	43,964	57,626
Minority Interest	31	2,041	2,041	2,041
Total Liabilities	1,55,224	1,60,167	1,59,661	1,68,323

Source Company data, I-Sec research

Exhibit 24: Quarterly trend

(INR mn, year ending March)

	Jun-25	Sep-25	Dec-25	Mar-26
Net Sales	59,599	60,998	61,890	65,542
% growth (YOY)	5.8	5.8	6.7	9.4
EBITDA	11,368	11,736	12,281	12,839
Margin %	19.1	19.2	19.8	19.6
Other Income	171	(172)	2,593	426
Extraordinaries	(626)	(210)	(768)	203
Adjusted Net Profit	2,526	2,041	4,421	2,430

Source Company data, I-Sec research

Exhibit 25: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	39,221	42,315	49,775	56,130
Working Capital Changes	(10,113)	2,476	(1,249)	(1,801)
Capital Commitments	(22,583)	(24,332)	(25,548)	(26,826)
Free Cashflow	6,525	20,459	22,977	27,502
Other investing cashflow	795	9,733	1,610	1,661
Cashflow from Investing Activities	795	9,733	1,610	1,661
Issue of Share Capital	-	-	-	-
Interest Cost	(5,635)	(4,976)	(6,696)	(5,786)
Inc (Dec) in Borrowings	5,040	(11,548)	(10,000)	(5,000)
Dividend paid	(4,772)	(7,125)	(6,329)	(9,108)
Others	-	-	-	-
Cash flow from Financing Activities	(9,356)	(29,366)	(28,742)	(25,611)
Chg. in Cash & Bank balance	(2,036)	1,081	(4,154)	3,552
Closing cash & balance	5,339	6,420	2,799	6,352

Source Company data, I-Sec research

Exhibit 26: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	32.8	40.1	55.5	79.9
Adjusted EPS (Diluted)	64.4	35.1	55.5	79.9
Cash EPS	141.6	111.7	134.2	159.8
Dividend per share (DPS)	25.0	17.5	22.2	32.0
Book Value per share (BV)	106.0	120.9	154.3	202.2
Dividend Payout (%)	76.3	43.7	40.0	40.0
Growth (%)				
Net Sales	10.2	7.3	9.1	9.1
EBITDA	8.0	5.5	12.4	15.7
EPS (INR)	(22.4)	22.3	38.6	43.9
Valuation Ratios (x)				
P/E	46.5	38.1	27.5	19.1
P/CEPS	10.8	13.7	11.4	9.5
P/BV	14.4	12.6	9.9	7.5
EV / EBITDA	11.6	11.0	9.7	8.2
EV / Sales	2.3	2.1	1.9	1.7
Dividend Yield (%)	1.6	1.1	1.5	2.1
Operating Ratios				
Gross Profit Margins (%)	-	-	-	-
EBITDA Margins (%)	19.8	19.4	20.0	21.3
Effective Tax Rate (%)	35.3	28.1	25.1	25.1
Net Profit Margins (%)	4.0	4.6	5.8	7.7
NWC / Total Assets (%)	(19.4)	(21.9)	(23.8)	(19.4)
Net Debt / Equity (x)	3.1	2.8	2.0	1.4
Net Debt / EBITDA (x)	2.1	2.0	1.7	1.3
Profitability Ratios				
RoCE (%)	9.9	10.2	13.4	17.2
RoE (%)	38.8	35.3	40.3	44.8
RoC (%)	17.0	15.6	18.9	24.2
Fixed Asset Turnover (x)	0.7	0.6	0.6	0.6
Inventory Turnover Days	2.5	1.5	1.5	1.5
Receivables Days	63.3	61.4	62.4	63.4
Payables Days	56.4	54.4	52.4	50.4

Source Company data, I-Sec research

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