

July 23, 2025

Summit Digital Infrastructure Limited: Ratings reaffirmed; [ICRA]AAA (Stable) assigned for fresh NCD of Rs. 1,550 crore

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short term – Short-term loan - Fund based	500.00	500.00	[ICRA]A1+; reaffirmed
Non-convertible debentures	4,000.00	4,000.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debentures	0.00	1,550.00	[ICRA]AAA (Stable); assigned
Total	4,500.00	6,050.00	

*Instrument details are provided in Annexure I

Rationale

The ratings take into account the strong business linkages between Summit Digital Infrastructure Limited (SDIL) and Reliance Jio Infocomm Limited (RJIL), a step-down subsidiary of Reliance Industries Limited (RIL, rated [ICRA]AAA (Stable) / [ICRA]A1+). The ratings factor in the visibility of the cash flows to be generated by SDIL, driven by the terms of a 30-year non-cancellable master service agreement (MSA) and the fixed price nature of the operations & maintenance (O&M) and project execution contracts. The MSA assures a certain level of revenue for SDIL till 2051 with RJIL being the anchor tenant for the 174,451 towers set up by SDIL.

As on March 31, 2025, SDIL had 1,74,451 towers wherein RJIL is the anchor tenant. A major share of SDIL's tower infrastructure is fiberised, enabling better capabilities to handle 4G/5G networks. This, along with the increasing data requirements, would enable SDIL to attract tenancies from other telecom operators as well, providing further fillip to the cash generation.

The ratings also factor in SDIL's ability to service the external debt comfortably over the long run, while the improved tenancy ratio provides a boost to the financial risk profile, although incremental addition in the non-Jio tenancies has remained low. Further, the strong parentage of Altius Telecom Infrastructure Trust (ATIT), which is backed by Brookfield Infrastructure Partners, ensures healthy refinancing capabilities for SDIL and is a rating comfort.

SDIL's external debt was around Rs. 29,930 crore at the end of March 31, 2025. The company has been refinancing its debt obligations to achieve a better interest cost and favourable maturity profile. The company has reached an agreement with its bondholders and lenders to increase the debt cap in view of any future plans to add towers to its portfolio. However, the new tower addition for SDIL is likely to remain minimal in the near term.

SDIL's parent, ATIT, is backed by Brookfield Infrastructure Partners. It has three assets under its fold - Elevar Digital Infrastructure Private Limited (erstwhile ATC Telecom Infrastructure Private Limited), SDIL and Crest Digital Private Limited. At present, the InvIT meets the regulatory requirement of leveraging, as mandated under the regulations. At Altius's level, the loan-to-value was ~50% as on March 31, 2025 and is expected to remain comfortable and within the regulatory requirements, going forward as well. Hence, any material leveraging at the InvIT level will remain a key monitorable.

The Stable outlook reflects ICRA's expectation that SDIL's cash generation will remain stable with robust agreements in place both on the revenue and the cost side.

Key rating drivers and their description

Credit strengths

Strong business profile; linkages and 30-year MSA and fixed contracts with RJIL provide healthy revenue and EBITDA generation visibility - RJIL and SDIL have signed a non-cancellable master service agreement (MSA) for 30 years, starting August 31, 2020, even if force majeure events arise. As per the agreement, RJIL has agreed to be the anchor tenant for 174,451 towers for the next 30 years (till 2051). SDIL also has the right of first offer (ROFO) to RJIL in case the company wants to install passive tower infrastructure and services on new towers, apart from the 174,451 towers, during the MSA period. The MSA offers monthly rental receipts (inclusive of monthly site premium) from RJIL along with a built-in escalation clause. The agreement provides certainty of revenue in scenarios where RJIL decommissions a tower or SDIL shifts a tower. While RJIL is the anchor tenant, SDIL can still offer its towers to other telecom operators as additional tenants. SDIL has also signed fixed-priced O&M and project execution contracts which will ensure certainty in EBITDA and cash flows over the course of the agreement, offering revenue visibility till 2051.

Exceptional financial flexibility and strong parentage – SDIL benefits from its strong parent, Altius Telecom Infrastructure Trust, which is backed by Brookfield Infrastructure Partners as its sponsor, translating into exceptional financial flexibility.

Relatively young tower portfolio; geographical diversification across 22 circles of the country – RJIL started expanding its portfolio very recently and, thus, the average age of the portfolio is less than five years, indicating a very young tower portfolio. Moreover, majority of these towers (more than 50%) are fiberised, making them 5G-ready. A large proportion of the towers are ground-based towers (GBT), which are shareable and can have more than one tenancy. The balance is in the form of rooftop towers (RTT), of which some are shareable, and the remaining are ground-based masts (GBM) and cell on wheels (COW) which are not designed to have more than one tenancy. The company has been adding non-RJIL tenancies for some of the towers, which will aid its return metrics to some extent.

Subordinated loan from parent with features of quasi equity – ATIT acquired SDIL for Rs. 25,215 crore, including Rs. 215 crore as equity, while the remaining was put in as subordinated debt which was utilised to repay a certain portion of the long-term debt and other financial liabilities. The loan is subordinated to all external debt and does not have any fixed repayment schedule, as per the agreement between the parent and SDIL, and is repayable on the availability of surplus cash flows.

Credit challenges

Tenancy ratio of 1.06x limits return metrics and cash generation - As per the MSA terms, RJIL will be the anchor tenant for 174,451 towers, which along with the presence of some other non-RJIL tenants translates into a tenancy ratio of 1.06x which limits the cash generation and returns. The cash generation, however, is sufficient to service the external debt comfortably, with the external DSCR at more than 2x. With more than 50% of the towers being fiberised and allowed to have more than one tenant, SDIL should attract tenancies from other telecom operators as well, further improving the cash generation. Moreover, the ability of the company to attract non-RJIL tenancies has remained slow in the recent past and will remain a key monitorable.

Capital-intensive business - The telecom tower industry is capital-intensive in nature as the players need to incur sizeable capex to set up the towers. Multiple tenancies, however, come at a later stage and there is a gestation period in recovering the investments. While the anchor tenancy is already in-built in the MSA for SDIL, additional tenancies could take time to build.

Liquidity position: Strong

While the company is not expected to maintain sizeable cash balances as majority of the surplus will be upstreamed to the trust, the stable cash flow generation and the long tenure of the MSA provide comfort from a liquidity perspective. The company had around Rs. 795 crore of cash and equivalents as on March 31, 2025. This, along with the exceptional financial flexibility and a fairly long-tenured debt, adds to the comfort.

Rating sensitivities

Positive factors – NA

Negative factors – A deterioration in the credit profile of RJIL or ATIT, or a weakening of the linkages between SDIL and RJIL/ATIT can result in a downgrade. Further, a substantial early principal repayment of the shareholder loan can prompt a rating revision.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Telecom Towers
Parent/Group support	Parent company: Altius Telecom Infrastructure Trust SDIL has a strategic importance to the InvIT and derives financial flexibility from being part of the InvIT, which is backed by the Brookfield Group and its affiliate
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of SDIL

About the company

Summit Digital Infrastructure Limited (SDIL; formerly known as Reliance Jio Infratel Private Limited) was incorporated in January 2013 and is engaged in the business of operating and managing the tower assets which were transferred from Reliance Jio Infocomm Limited (RJIL). RIL held a 49% stake in SDIL and a 51% stake was held by Tower Infrastructure Trust.

In July 2019, Reliance Industrial Investments and Holdings Limited entered into an agreement with Brookfield Asset Management Inc (Brookfield) for an investment of Rs. 25,215 crore in the units of the InvIT. In August 2020, the InvIT received approval from the Department of Telecommunications (DoT) for the investment by Brookfield. After the completion of the transaction (with Brookfield), the InvIT acquired the remaining 49% stake in SDIL from RIL and now SDIL is wholly owned by the InvIT, with Brookfield being the sponsor of the InvIT.

Key financial indicators

SDIL Standalone - Audited	FY2024	FY2025
Operating income*	7965.8	8603.0
PAT	-3037.7	-2995.2
OPBDIT/OI (%)	60.4%	61.0%
PAT/OI (%)	-38.1%	-34.8%
Total outside liabilities/Tangible net worth (times)	-4.2	-3.6
Total debt/OPBDIT (times)#	11.6	10.6
Interest coverage (times)\$	0.7	0.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

* Does not include energy revenues, as these are largely pass-through

Total debt includes Rs. 25,880 crore of unsecured loan infused by InvIT in SDIL, which is subordinated to the external debt

\$ -Including interest on the unsecured subordinated debt

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	FY2026			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 23, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Short term – Short-term loan - Fund Based	Short term	500.00	[ICRA]A1+	12-APR-2024	[ICRA]A1+	15-FEB-2024	[ICRA]A1+	-	-
				23-OCT-2024	[ICRA]A1+	-	-	-	-
NCD	Long term	1550.00	[ICRA]AAA (Stable)	-	-	-	-	-	-
NCD	Long term	4000.00	[ICRA]AAA (Stable)	12-APR-2024	[ICRA]AA A (Stable)	01-NOV-2023	[ICRA]AA A (Stable)	10-NOV-2022	[ICRA]AA A (Stable)
				23-OCT-2024	[ICRA]AA A (Stable)	15-FEB-2024	[ICRA]AA A (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Short-term loan - Fund based	Simple
NCD	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance/Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE507T07088	NCD	22-Nov-2021	7.62%	22-Nov-2030	1000.00	[ICRA]AAA (Stable)
INE507T07153	NCD	30-Oct-2024	7.58%	30-Oct-2031	1000.00	[ICRA]AAA (Stable)
INE507T07146	NCD	05-Aug-2024	7.87%	15-Mar-2030	950.00	[ICRA]AAA (Stable)
INE507T07138	NCD	02-May-2024	7.89%	01-May-2029	600.00	[ICRA]AAA (Stable)
Yet to be placed	NCD	-	-	-	450.00	[ICRA]AAA (Stable)
Yet to be placed	NCD	-	-	-	1550.00	[ICRA]AAA (Stable)
NA	Short term – Fund-based term loan	-	-	-	500.0	[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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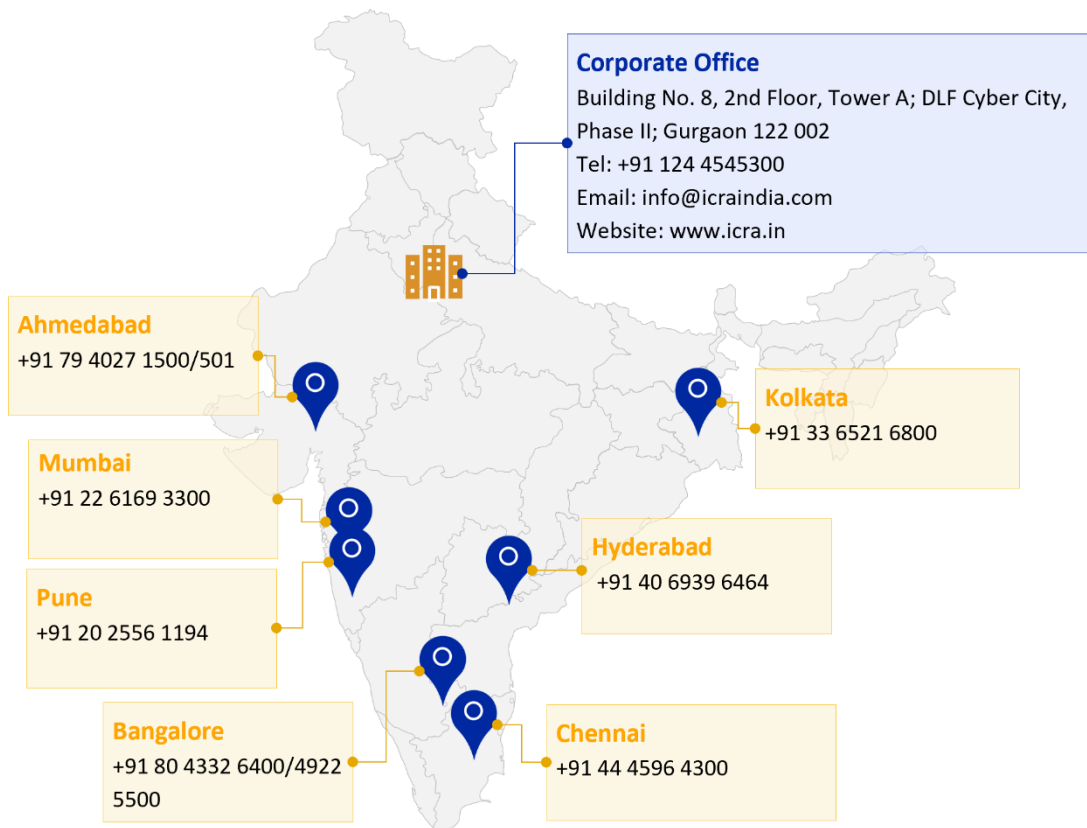
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