

October 6, 2025

## NTT Global Data Centers NAV2 Private Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund Based – Term Loans	3,129.0	3,129.0	[ICRA]AA- (Stable); reaffirmed
Long-term – Fund Based – Working capital facilities	6.1	6.1	[ICRA]AA- (Stable); reaffirmed
Long-term – Unallocated limits	0.9	0.9	[ICRA]AA- (Stable); reaffirmed
<b>Total</b>	<b>3,136.0</b>	<b>3,136.0</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating reaffirmation for NTT Global Data Centers NAV2 Private Limited (NTT GDC NAV2) factors in the increase in operational area to 43 MW as of August 2025 from 21 MW as of August 2024 and leasing of 76% of phase 1 data centre (DC) (83 MW leased out of 107 MW), which provides revenue visibility in the near to medium term. The rating draws strength from the strong parentage, low funding risk on the residual capex and favourable long-term demand prospects for DCs in India, backed by digital data explosion and supportive regulatory policies. NTT GDC NAV2 is a wholly-owned subsidiary of NTT Global Data Centers Holding Asia NAV2 Pte. Ltd, which is 70% held by NTT Global Data Centers Holding Asia Pte. Ltd., with the ultimate parent being Nippon Telegraph and Telephone Corporation (NTT), rated by Moody's at A3 (Stable), and the remaining 30% held by Japan ICT Fund (JICT). NTT GDC NAV2 has an established track record of funding support from NTT and has strong synergies with NTT's global data centre (DC) business and has senior representatives from NTT on its board of directors highlighting its importance for the Group. ICRA expects NTT to provide timely funding support to NTT GDC NAV2, given the close business linkages and NTT's reputation.

NTT GDC NAV2's DC campus in Navi Mumbai is spread across 54 acres with a capacity of 107 MW in phase 1. The total project cost for phase 1 stands at ~Rs. 5,500 crore, which is funded through debt-to-equity ratio of 55:45. As on June 30, 2025, ~69% of the total project cost has been incurred, which was funded by Rs. 2,276 crore of debt and the remaining by equity. The pending cost of ~Rs. 1,700 crore as of June 2025 will be funded by undrawn debt of Rs. 853 crore and the balance through equity infusion/internal accruals. The interest during construction is funded through equity contribution from the parent and internal accruals. While the debt service coverage ratio (DSCR) remains comfortable in FY2026 and FY2027 as there are no principal repayments, the coverage metrics are expected to moderate from FY2028 due to high principal repayments. However, ICRA derives strong comfort from the company's parentage, which provides high financial flexibility and refinancing ability.

These strengths are, nevertheless, offset by the exposure of the first phase of NTT GDC NAV2 to moderate execution risk and market risk as 24 MW under-construction project is yet to be leased. However, comfort can be drawn from NTT's operational track record and commitment to infuse additional contribution to support any funding requirements. While NTT GDC NAV2 could reach an ultimate capacity of ~315 MW to be developed over the next seven to ten years in multiple phases, the company's ability to ramp-up utilisation of DCs for the upcoming phases, along with healthy profitability and RoCE remains to be key factors to be considered. The rating is further constrained by the stiff competition from large DC additions with the entry of many new players in the segment and expansion plans of the existing players. Nonetheless, the long-term relationship with reputed clients provides the NTT GDC Group a competitive advantage to some extent.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company would be able to ramp-up its leasing, backed by strong demand prospects for the sector. Further, the benefit can be taken from the strong sponsor profile, who are expected to provide operational and financial support if needed.

## Key rating drivers and their description

### Credit strengths

**Strong parentage with demonstrated track record of funding support** – NTT GDC NAV2 is a wholly-owned subsidiary of NTT Global Data Centers Holding Asia NAV2 Pte. Ltd, which is 70% held by NTT Global Data Centers Holding Asia Pte. Ltd., with the ultimate parent being Nippon Telegraph and Telephone Corporation (NTT), rated by Moody's at A3 (Stable), and the remaining 30% held by Japan ICT Fund (JICT). NTT GDC NAV2 has an established track record of funding support from NTT and has strong synergies with NTT's global data centre (DC) business and has senior representatives from NTT on its board of directors highlighting its importance for the Group. ICRA expects NTT to provide timely funding support to NTT GDC NAV2, given the close business linkages and NTT's reputation.

**Low funding risk; healthy leasing leading to growth in revenues and operating profits in near term** – NTT GDC NAV2's DC campus in Navi Mumbai is spread across 54 acres with a capacity of 107 MW in phase 1. The total project cost for phase 1 stands at ~Rs. 5,500 crore, which is funded through debt-to-equity ratio of 55:45. As on June 30, 2025, ~69% of the total project cost has been incurred, which was funded by Rs. 2,276 crore of debt and the remaining by equity. As a part of funding, as on June 30, 2025, 64% of the total planned equity has been infused.

The operational area increased to 43 MW as of August 2025 from 21 MW as of August 2024. This along with sustained leasing OF 76% of phase 1 DC (83 MW leased out of 107 MW) provides revenue visibility in the near to medium term.

**Digitisation and favourable regulations support long-term prospects of datacentres** – Data localisation and data explosion are paving the way for DC revolution in India. Digitisation drivers like adoption of new technologies (Cloud, IoT, generative AI, Big Data and 5G rollout), increase in digital penetration (internet usage, mobile penetration), e-commerce, Government focus on digital infrastructure and favourable regulatory policies like Digital Data Protection Bill, infrastructure status to DCs, special incentives from the Central and state governments are expected to boost DC investments in the country and demand for the sector.

### Credit challenges

**Moderate execution and market risks** – NTT GDC NAV2 is exposed to moderate execution risk and market risk as the under-construction project of 24 MW is yet to be tied up. However, comfort can be drawn from NTT's operational track record and commitment to infuse additional contribution to support any funding requirements.

**Large medium-term capex plans** – NTT GDC NAV2 is estimated to incur a cost of ~Rs. 1,700 crore over FY2026 and FY2027 (pending as of June 2025), which will be funded by undrawn debt of Rs. 853 crore and the balance through equity infusion. The interest during construction is funded through equity contribution from the parent and internal accruals. While the DSCR remains comfortable in FY2026 and FY2027 as there are no principal repayments, the coverage metrics are expected to moderate from FY2028 due to high principal repayments. However, ICRA derives strong comfort from the company's parentage, which provides high financial flexibility and refinancing ability.

**Stiff competition from other players** – The company faces stiff competition from large DC additions with entry of many new players in the segment and expansion plans of the existing players. However, the long-term relationship with reputed clients provides the NTT GDC Group a competitive advantage to some extent.

### Liquidity position: Adequate

The company's liquidity position is adequate with cash and bank balance of Rs. 362 crore as on March 31, 2025. The project cost is estimated to be funded by debt-to-equity ratio of 55:45 and the debt funding has been fully tied up. Around Rs. 1,494 crore of equity (64% of the budgeted equity) has been infused till June 2025, and the balance is expected to be infused as per the capex phasing. The repayments of the loan will begin from FY2028.

## Rating sensitivities

**Positive factors** – ICRA could upgrade the rating if there is a significant ramp up in leasing and operating profits resulting in material improvement in debt coverage and leverage metrics.

**Negative factors** – Negative pressure on the rating could arise if there is a large speculative capex and/or significant increase in indebtedness resulting in weakening of debt protection metrics, on a sustained basis. Also, a material deterioration in the credit profile or weakening of linkages with NTT will result in a rating downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)</a>
Parent/Group support	<p><b>Parent Company:</b> NTT Global Data Centers Holding Asia NAV2 Pte. Ltd</p> <p><b>Ultimate Parent Company:</b> Nippon Telegraph and Telephone Corporation (NTT)</p> <p>The rating assigned to NTT Global Data Centers NAV2 Private Limited (NTT GDC NAV2) factors in the likelihood of its ultimate parent, NTT, extending financial support to NTT GDC NAV2 because of close business linkages between them. ICRA expects NTT to be willing to extend financial support to NTT GDC NAV2 out of its need to protect its reputation from the consequences of a Group entity's distress.</p>
Consolidation/Standalone	Standalone

## About the company

NTT Global Data Centers NAV2 Private Limited (NTT GDC NAV2) was incorporated in India on February 10, 2021. It is a 100% subsidiary of NTT Global Data Centers Holding Asia NAV2 Pte. Ltd., which is 70% held by NTT Global Data Centers Holding Asia Pte. Ltd. and 30% by Japan ICT Fund (JICT). JICT was established in 2015 by the Japanese Government to support overseas operations of Japanese companies in telecommunications, broadcasting, and postal services.

NTT Global Data Centers Holding Asia Pte. Ltd. is ultimately held by Japan's Nippon Telegraph and Telephone Corporation. The company is in the business of providing data centre services to domestic and global enterprise customers from across verticals.

Spread over 54 acres in Navi Mumbai, the company will support 107 MW capacity across four DCs in phase 1. Overall, its proposed capacity is 315 MW is to be developed in multiple phases in the medium to long term.

## Key financial indicators

NTT GDC NAV2 Standalone	FY2024	FY2025
Operating income (OI)	101.0	386.6
PAT	-62.4	-73.6
OPBDIT/OI	39.0%	33.4%
PAT/OI	-61.8%	-19.0%
Total outside liabilities/Tangible net worth (times)	1.6	1.5
Total debt/OPBDIT (times)	38.0	17.3
Interest coverage (times)	0.6	0.9

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Current year (FY2026)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Oct 6, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	3,129.0	[ICRA]AA-(Stable)	-	-	Sep 25, 2024	[ICRA]AA-(Stable)	-	-	-	-
Working capital facilities	Long term	6.1	[ICRA]AA-(Stable)	-	-	Sep 25, 2024	[ICRA]AA-(Stable)	-	-	-	-
Unallocated limits	Long term	0.9	[ICRA]AA-(Stable)	-	-	Sep 25, 2024	[ICRA]AA-(Stable)	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund Based – Term Loans	Simple
Long-term – Fund Based – Working capital facilities	Simple
Long-term – Unallocated limits	Not Applicable

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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loans	FY2022 – FY2025	NA	FY2033 – FY2038	3,129.0	[ICRA]AA- (Stable)
NA	Working capital facilities	NA	NA	NA	6.1	[ICRA]AA- (Stable)
NA	Unallocated limits	NA	NA	NA	0.9	[ICRA]AA- (Stable)

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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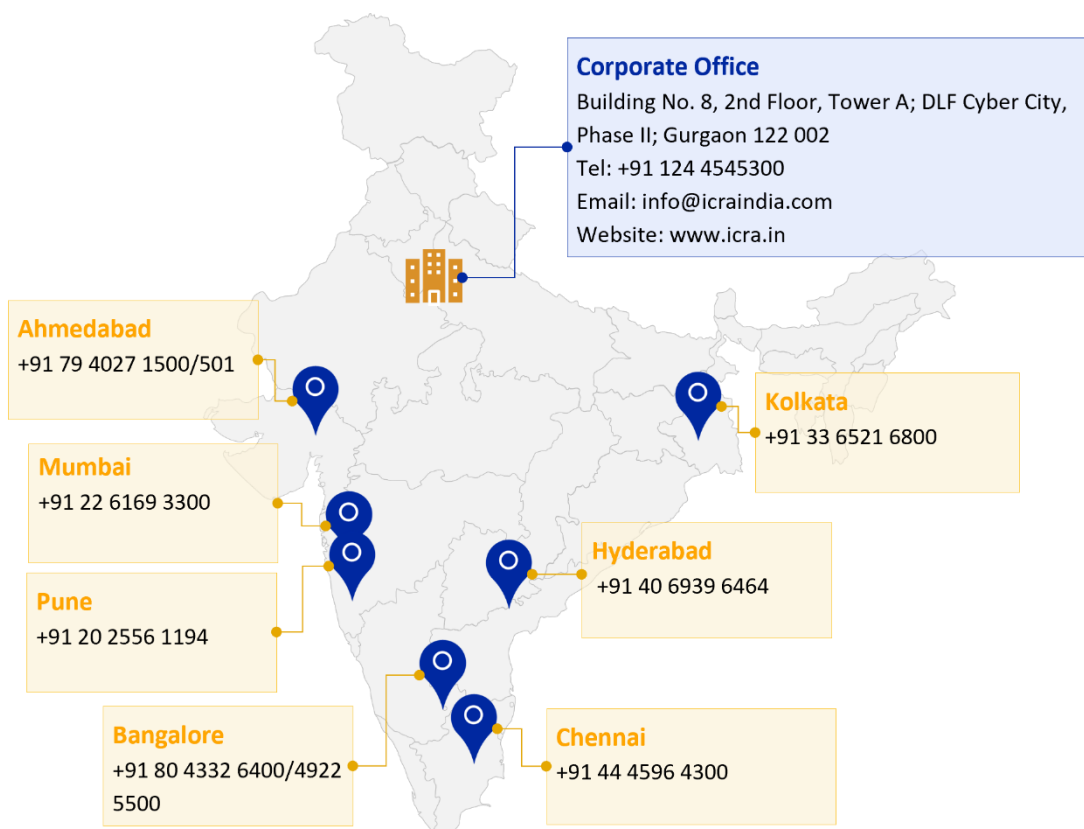
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