

March 06, 2026

## NTT Global Data Centers & Cloud Infrastructure India Private Limited: Ratings reaffirmed for bank facilities, assigned for NCDs and rating reaffirmed and withdrawn for commercial paper

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Term loans	3460.0	3,492.5	[ICRA]AA+ (Stable); reaffirmed
Working capital facilities	855.0	855.0	[ICRA]A1+; reaffirmed
Non-fund based limits	22.0	22.0	[ICRA]A1+; reaffirmed
Commercial paper	1,000.0	0.00	[ICRA]A1+; reaffirmed and withdrawn
Proposed non-convertible debentures (NCDs)	0.0	1,500.0	[ICRA]AA+ (Stable); assigned
Proposed term loans	40.6	8.1	[ICRA]AA+ (Stable); reaffirmed
<b>Total</b>	<b>5,377.6</b>	<b>5,877.6</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The rating action for NTT Global Data Centers & Cloud Infrastructure India Private Limited (NTT GDC India) factors in the sustained healthy growth in operating income (OI) and operating profits, driven by improved capacity utilisation of the existing and ramp-up in the utilisation of new data centres (DCs), which is likely to continue in the near to medium term. The NTT Group is among the top 5 DC operators in India. It has an operational track record of over 20 years, with its first DC operational since 2005. The ratings note the strong parentage of NTT GDC India, a wholly-owned step-down subsidiary of Nippon Telegraph and Telephone Corporation (NTT), rated by Moody's at A3 (Stable). NTT is a leading integrated Japanese telecom operator with the Government of Japan (through Ministry of Finance) holding 35.7% (as on December 31, 2025) stake in the company. NTT GDC India has a long and established track record of funding support from NTT. NTT GDC India's operations draw strong synergies from NTT's global DC and has senior representatives from NTT on its board of directors highlighting its importance for the Group's global operations. ICRA expects NTT to be willing to extend financial support to NTT GDC India out of its need to protect its reputation from the consequences of a Group entity's distress.

The ratings draw comfort from the reputed clientele spread across different verticals, viz., hyperscalers, communication, media, and technology, banking financial services and insurance (BFSI), etc. The large investments made by customers and the downtime risks associated with switching result in high customer stickiness, evident from the Group's long-term relationship with clients. The company has a stable annuity stream of inflows, wherein the customers enter medium-to-long-term service contracts with defined escalations. The ratings consider the strong long-term demand prospects for DCs, backed by digital data explosion in India and favourable regulatory support.

The strengths are, however, partially offset by the modest return on capital employed (RoCE) on account of continuous addition of DCs over the past few years. The company incurred a large capex (amounting to ~Rs. 6,500 crore) during FY2023-2025 for setting up additional capacities, while the ramp-up in utilisation happens with a lag, resulting in subdued RoCE of ~10% in FY2025. ICRA expects the RoCE to remain modest in the medium term as the company is undertaking a large capex programme.

NTT GDC India is estimated to incur a capex of ~Rs. 1,200-1,500 crore each in FY2026 to FY2028, which will be primarily funded by debt, which has already been tied up. The leverage, total debt (including lease liabilities)/OPBIDTA, is likely to remain

elevated at around 5.8-6.0 times as of March 2026 compared to 5.9 times as of March 2025, consequently impacting the debt coverage metrics. Nevertheless, ICRA derives strong comfort from the company's parentage, which provides exceptional financial flexibility and refinancing ability. This is evident in the recent time, wherein NTT has provided funding for its brownfield expansion. The ratings note the stiff competition from large DC additions with entry of many new players in the segment and expansion plans of the existing players. Nevertheless, long track record of operations, diversified presence across cities and the long-term relationship with reputed clients provide NTT GDC India a competitive advantage to some extent.

ICRA has withdrawn the rating assigned to Rs. 1,000 crore of commercial paper of the company, as the same is not placed, based on the company's request and in accordance with ICRA's policy on withdrawal of ratings.

The Stable outlook on NTT GDC India's rating reflects ICRA's opinion that the company will maintain optimal capacity utilisation in the operational DCs, along with healthy ramp-up in upcoming DCs, resulting in an improvement in its earnings, debt protection metrics and liquidity position

## Key rating drivers and their description

### Credit strengths

**Reputed and diversified clientele with high customer stickiness as well as stable annuity stream of inflows** – The company's OI witnessed a healthy growth of 20% to Rs. 3,275 crore in FY2025 (PY: Rs. 2,723 crore) and stood at Rs. 2,734 crore in 9M FY2026. Given the contracted agreements and healthy leasing pipeline, the revenues are estimated to grow by 18-20% each in FY2026 and FY2027. With increase in revenues, better absorption of fixed costs and reduction in management fee payable to the NTT Group, its operating margins improved to ~41% in FY2025 (PY: 36%). The same is expected to remain in the range of 35-40% in FY2026 and FY2027. The company has a reputed clientele spread across different verticals, viz., hyperscalers, communication, media and technology, BFSI, etc. The NTT Group is one of the major players in the Indian DC industry with a capacity market share of ~24-25%. The large investments made by customers and the downtime risks associated with switching result in high customer stickiness, evident from the Group's long-term relationship with clients. The company has a stable annuity stream of inflows, wherein the customers enter medium-to-long-term service contracts with defined escalations.

**Strong parentage with demonstrated track record of funding support** – NTT GDC India is a wholly-owned step-down subsidiary of NTT, rated by Moody's at A3 (Stable). NTT is a leading integrated Japanese telecom operator with the Government of Japan (through Ministry of Finance) holding 35.7% (as on December 31, 2025) stake in the company. NTT GDC India has a long and established track record of funding support from NTT. NTT GDC India's operations draw strong synergies from NTT's global DC and has senior representatives from NTT on its board of directors highlighting its importance for the Group's global operations.

**Favourable regulations support long-term prospects of DC** – 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

**Large debt-funded capex and moderate debt protection metrics** – NTT GDC India is estimated to incur a capex of ~Rs. 1,200-1,500 crore each in FY2026 to FY2028, which will be primarily funded by debt, which has already been tied up. The leverage, total debt (including lease liabilities)/OPBIDTA, is likely to remain elevated at around 5.8-6.0 times as of March 2026 compared to 5.9 times as of March 2025, consequently impacting the debt coverage metrics. However, ICRA derives strong comfort from the company's parentage, which provides exceptional financial flexibility and refinancing ability.

**Continuous capex leading to modest return indicators** – ICRA expects the RoCE to remain modest in the medium term as the

company is undertaking a large capex programme. NTT GDC India has continuously been adding DCs over the past few years. The company incurred a large capex (amounting to ~Rs. 6,500 crore) during FY2023-2025 for setting up additional capacities, while the ramp-up in utilisation happens with a lag, resulting in subdued RoCE of ~10% in FY2025.

**Stiff competition from other players** – The ratings note the stiff competition from large DC addition with the entry of many new players in the segment and expansion plans of the existing players. Nevertheless, the long track record of operations, diversified presence across cities and the long-term relationship with reputed clients provide NTT GDC India a competitive advantage to some extent

### Liquidity position: Adequate

The company’s liquidity position is adequate with cash and bank balance of Rs. 68 crore as on December 31, 2025. It has sanctioned fund-based limits of Rs. 855.0 crore with average utilisation of 50% for the last 12 months until November 2025. The company has long-term debt repayment obligations of Rs. 757 crore in FY2026 and Rs. 699 crore in FY2027, which can be comfortably serviced through its estimated cash flow from operations. It has capex plans of Rs. 1,200-1,500 crore in FY2026 to FY2028, which will be primarily funded through undrawn sanctioned debt

### Rating sensitivities

**Positive factors** – The ratings may be upgraded if the company achieves optimal capacity utilisation for the existing and new under-construction DCs resulting in sustainable improvement in earnings and liquidity position. Specific credit metrics that could lead to a rating upgrade include DSCR more than 2.0 times on a sustained basis.

**Negative factors** – Negative pressure on the ratings may arise if there is a material deterioration in the credit profile or weakening of linkages with NTT. Further, higher-than-anticipated debt-funded capex and/or sustained lower utilisation levels of the new DCs resulting in weakening of NTT GDC’s credit profile will be a negative factor.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Realty - Lease Rental Discounting (LRD)</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/group Support	Parent Company: NTT Limited (UK), Ultimate Parent Company: Nippon Telegraph and Telephone Corporation (NTT). The ratings assigned to NTT GDC India factors in the likelihood of its ultimate parent, NTT, extending financial support to NTT GDC India through NTT Limited (UK) because of close business linkages between the companies. ICRA expects NTT to be willing to extend financial support to NTT GDC India out of its need to protect its reputation from the consequences of a Group entity’s distress.
Consolidation/standalone	Given the strong managerial, financial, and operational linkages between NTT GDC and Netmagic Solutions Private Limited, ICRA has considered the consolidated financials of Netmagic Solutions Private Limited and NTT GDC.

### About the company

NTT GDC India (formerly known as Netmagic IT Services Private Limited) was incorporated in 2005. It is fully owned by Netmagic Solutions Private Limited, a wholly-owned subsidiary of NTT Ltd (UK), which is 100% held by NTT Data Inc (Japan). NTT Data Inc is ultimately owned by Japan’s Nippon Telegraph and Telephone Corporation (NTT), which is a global provider of information and communications technology (ICT) solutions.

NTT GDC India provides DC co-location and dedicated hosting or managed services to reputed tenants. At present, it has 17 operational DCs across five locations – Mumbai (8), Navi Mumbai (3), Noida (1), Chennai (2) and Bangalore (3) with designed IT DC capacity of around 280 MW.

#### Key financial indicators (audited)

NTT GDC India (Consolidated)	FY2024	FY2025
<b>Operating income</b>	2722.8	3275.3
<b>PAT</b>	43.2	110.4
<b>OPBDITA/OI</b>	35.7%	41.1%
<b>PAT/OI</b>	1.6%	3.4%
<b>Total outside liabilities/Tangible net worth (times)</b>	4.2	4.2
<b>Total debt/OPBDITA (times)</b>	8.0	5.9
<b>Interest coverage (times)</b>	1.8	2.1

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: Not applicable**

### Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	FY2026		FY2025		FY2024		FY2023	
		Amount rated (Rs. crore)	Mar 6, 2026	Date	Rating	Date	Rating	Date	Rating
<b>Fund-based -Proposed limits</b>	Long Term	8.10	[ICRA]AA+ (Stable)	Mar 28, 2025	[ICRA]AA+ (Stable)	Mar 31, 2024	[ICRA]AA+ (Stable)	-	-
<b>Fund-based -Term loan</b>	Long Term	3,492.50	[ICRA]AA+ (Stable)	Mar 28, 2025	[ICRA]AA+ (Stable)	May 12, 2023	[ICRA]AA+ (Stable)	May 06, 2022	[ICRA]AA+ (Stable)
				-	-	Aug 11, 2023	[ICRA]AA+ (Stable)	-	-
				-	-	Mar 31, 2024	[ICRA]AA+ (Stable)	-	-
<b>Fund-based-Cash credit</b>	Short Term	855.00	[ICRA]A1+	Mar 28, 2025	[ICRA]A1+	May 12, 2023	[ICRA]A1+	May 06, 2022	[ICRA]A1+
				-	-	Aug 11, 2023	[ICRA]A1+	-	-
				-	-	Mar 31, 2024	[ICRA]A1+	-	-
<b>Non-fund based - Others</b>	Short Term	22.00	[ICRA]A1+	Mar 28, 2025	[ICRA]A1+	May 12, 2023	[ICRA]A1+	May 06, 2022	[ICRA]A1+
				-	-	Aug 11, 2023	[ICRA]A1+	-	-
				-	-	Mar 31, 2024	[ICRA]A1+	-	-
<b>Commercial paper</b>	Short Term	1000.00	[ICRA]A1+; reaffirmed and withdrawn	Mar 28, 2025	[ICRA]A1+	May 12, 2023	[ICRA]A1+	May 06, 2022	[ICRA]A1+
				-	-	Aug 11, 2023	[ICRA]A1+	-	-
				-	-	Mar 31, 2024	[ICRA]A1+	-	-

<b>Commercial paper</b>	Short Term	-	-	Mar 28, 2025	[ICRA]A1+; withdrawn	-	-	-	-
<b>Proposed NCD</b>	Long Term	1,500.00	[ICRA]AA+ (Stable)	-	-	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Term loans	Simple
Working capital facilities	Simple
Non-fund based limit	Simple
Proposed term loans	Simple
Proposed NCDs	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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	FY2020-2024	NA	FY2026-2037	3,492.50	[ICRA]AA+ (Stable)
NA	Working capital facilities	NA	NA	NA	855.0	[ICRA]A1+
NA	Non-fund based limits	NA	NA	NA	22.0	[ICRA]A1+
Not placed	Commercial paper	NA	NA	NA	650.0	[ICRA]A1+; reaffirmed and withdrawn
INE613R14191	Commercial paper	Jun 22, 2023	-	Jun 20, 2025	350.0	[ICRA]A1+; reaffirmed and withdrawn
NA	Proposed term loans	NA	NA	NA	8.10	[ICRA]AA+ (Stable)
NA	Proposed NCDs	NA	NA	NA	1,500.0	[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

Company Name	Ownership	Consolidation Approach
Netmagic Solutions Private Limited (NSPL)	*	Full Consolidation

\*NSPL holds 100% stake in NTT GDC India

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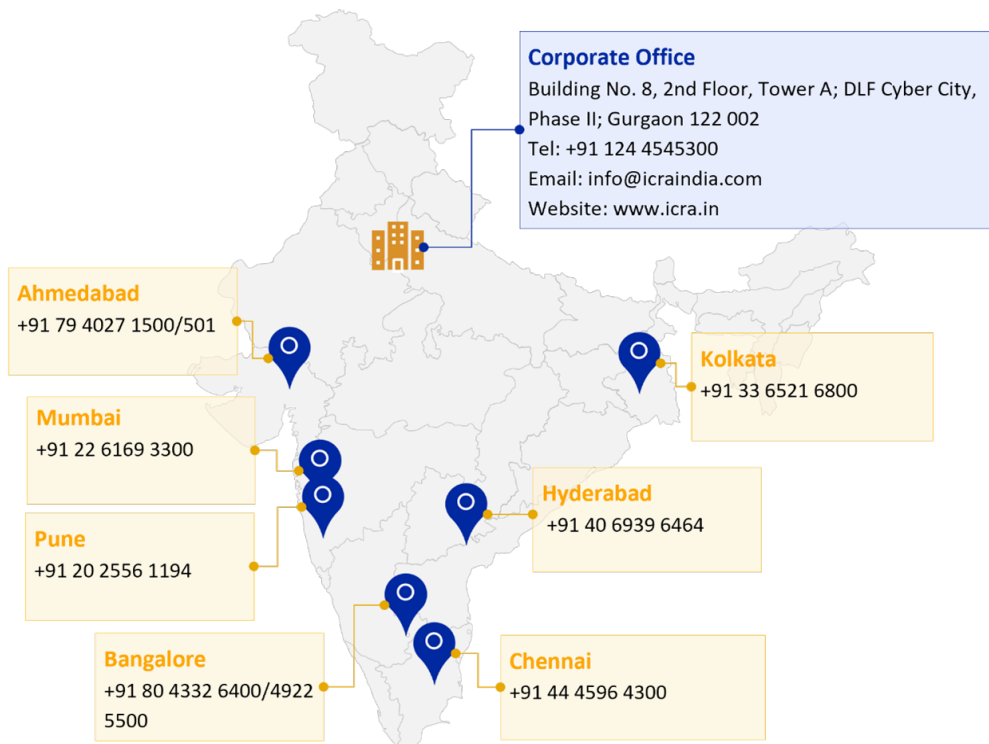


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