

March 27, 2026

Digital Edge DC (India) Private Limited: Rating upgraded to [ICRA]AA-(Stable); rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	858.25	4,581.96	[ICRA]AA-(Stable); Upgraded from [ICRA]A+ (Stable); assigned for enhanced amount
Long-term – Non-fund based – Bank guarantee	10.00	60.00	[ICRA]AA-(Stable); Upgraded from [ICRA]A+ (Stable); assigned for enhanced amount
Long-term – Non-fund based – Others	-	48.18	[ICRA]AA-(Stable); Assigned
Long-term – Unallocated limits	1.75	1.86	[ICRA]AA-(Stable); Upgraded from [ICRA]A+ (Stable); assigned for enhanced amount
Total	870.00	4,692.00	

*Instrument details are provided in Annexure I

Rationale

The rating upgrade of Digital Edge DC India Private Limited (DEI) factors in the commencement of revenues for BOM1 (~15 MW of ~18 MW) in H2 FY2026 and for remaining scheduled from Q1 FY2027; mitigation of funding risk for BOM2 (~48 MW) along with the favourable long-term demand prospects for datacenters (DCs), backed by digital data explosion in India and supportive regulatory framework. BOM2 is fully tied up with a reputed customer and the revenues are expected to commence from Q2 FY2028 onwards in a phased manner. Further, the signing of service agreement for BOM3 (~53 MW) is likely in near term which provides revenue visibility for DEI in the medium to long term while maintaining adequate debt protection metrics. The rating is supported by long contract tenors with reputed customer, high customer stickiness in the DC business as huge investments in servers, equipment and infrastructure are incurred by the customer along with presence of termination clauses in contracts. DEI is developing DC campus in Navi Mumbai which is spread across ~48 acres with an expected capacity of 350+ MW to be developed in multiple phases.

The rating factors in the strong sponsor profile with a track record of developing and managing large infrastructure and DC projects. DEI is sponsored by Digital Edge (India) Investments Pte Ltd (formerly known as DEI SG SPVII Pte. Ltd, 50%, a Digital Edge group entity which is backed by Stonepeak), National Investment and Infrastructure Fund (NIIF, 45%) and IDCCO Pte. Ltd. (5%, backed by AGP Sustainable Real Assets). Stonepeak is an alternate investment firm specialising in infrastructure and real-estate assets with \$84 billion of assets under management (AUM). It has investments in DCs in the US and Asia markets with an operational capacity of >500 MW and significant under-construction/future expansion plans. NIIF is an investment platform anchored by the Government of India, which manages funds with investments in different asset classes and diversified sectors. NIIF manages over \$4.9 billion of equity capital commitments across its various funds. The key management personnel of Digital Edge Asia DC platform and DEI have around two decades of experience in construction and managing operations of DCs.

These strengths are, however, partially offset by the exposure to execution risks. BOM2 is in a nascent stage of execution with 7% of total project cost¹ (Rs. 4,965 crore) incurred as on December 31, 2025. Timely construction and delivery of DSs as per the agreed phasing with the customer will remain important. However, comfort can be drawn from execution and operations of DCs by Stonepeak and Digital Edge globally and the sponsors' commitment to infuse additional contribution as per the sanctioned debt terms towards operational shortfall and debt servicing, till the commercial operations date (COD). While DEI's DC park could reach ultimate capacity of more than 350 MW to be developed over the next six to eight years in multiple phases, the company is constructing BOM2 (~48 MW) currently, which is fully tied-up with customer and debt in sanctioned. The capex for BOM2 is being funded through debt to equity ratio of 75:25. The next phase BOM3 (~53 MW) is completed till plinth level and is expected to start construction in FY2027 once service level agreement is signed. The final cost for BOM3 and funding pattern is yet to be finalised. The company has sizeable capex plans in next six to eight years, and hence leverage metrics are unlike to materially improve in the medium term. The company's ability to ramp-up utilisation of DCs, along with healthy profitability and RoCE, remains to be seen. The company is exposed to intense competition from large DC additions with entry of many new players in the segment and expansion plans of the existing players. The ratings factors in DEI's policy of undertaking capex backed by committed/service agreements and keeping overall speculative exposure at negligible levels. Any change in stance with increased exposure to speculative capex will heighten market risk and will be a credit negative.

The Stable outlook on rating reflects ICRA's expectations that the company will benefit from healthy revenues for BOM1 and BOM2, expected signing of BOM3 capacity, adequate debt protection metrics and strong sponsor profile who are expected to provide operational and financial support, based on their commitment.

Key rating drivers and their description

Credit strengths

100% customer tie-up for BOM1 and BOM2 which provides revenue visibility in the medium to long term; BOM3 service agreement is expected to be signed in the near term – The revenues for BOM 1 started in H2 FY2026 (for ~15 MW of ~18 MW) and for remaining scheduled from Q1 FY2027. BOM2 (~48 MW) is fully tied-up with customer and debt has been tied up leading to mitigation of funding risk and the revenues for BOM2 are expected to commence from Q2 FY2028 in a phased manner. Further, DEI is expected to sign service agreement for BOM3 (~53 MW) in near term which provides revenue visibility in the medium to long term while maintaining adequate debt protection metrics. The rating is supported by long tenor service agreements with reputed customer, high customer stickiness in the DC business as huge investments in servers, equipment and infrastructure are incurred by the customer along with presence of termination clauses in contracts. DEI is developing DC campus in Navi Mumbai which is spread across ~48 acres with an expected capacity of 350+ MW to be developed in multiple phases.

Strong sponsor profile and experience of Stonepeak and Digital Edge in DC segment – DEI is sponsored by Digital Edge (India) Investments Pte Ltd (formerly known as DEI SG SPVII Pte. Ltd, 50%, a Digital Edge group entity which is backed by Stonepeak), National Investment and Infrastructure Fund (NIIF, 45%) and IDCCO Pte. Ltd. (5%, backed by AGP Sustainable Real Assets). Stonepeak is an alternate investment firm specialising in infrastructure and real-estate assets with \$84 billion of assets under management (AUM) and has investments in DCs in the US and Asia markets with an operational capacity of >500 MW and significant under-construction/future expansion plans. NIIF is an investment platform anchored by the Government of India, which manages funds with investments in different asset classes and diversified sectors. NIIF manages over \$4.9 billion of equity capital commitments across its various funds. The key management personnel of Digital Edge Asia DC platform and DEI have around two decades of experience in construction and managing operations of DCs.

¹ Total project cost includes hard cost, land & sitewide cost, interest during construction, GST, DSRA and contingency cost. Total cost for BOM2 has increased from last rating exercise due to change in design, cooling technology and allied infrastructure.

Digitisation and 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 Central and state governments are expected to boost DC investments in the country and demand for the sector.

Credit challenges

Exposure to project execution risk for upcoming capacities – BOM2 is in a nascent stage of execution with 7% of total project cost (Rs. 4,965 crore) incurred as on December 31, 2025. However, comfort can be drawn from execution and operations of data-centres by Stonepeak and Digital Edge globally. While DEI’s DC park could reach ultimate capacity of more than 300 MW to be developed over next six to eight years in multiple phases, the company is constructing BOM2 (48.4 MW) currently, which is fully tied-up with customer and debt in sanctioned. The capex for BOM2 is being funded through debt: equity ratio of 75:25. The next phase BOM3 (~53 MW) is under construction and is expected to significantly construction in FY2027 once service agreement is signed. The final cost for BOM3 and funding pattern is yet to be finalised.

Large medium-term capex plans – The company has sizeable capex plans in next six to eight years, and hence leverage metrics are unlike to materially improve in the medium term. The company’s ability to ramp-up utilisation of DCs, along with healthy profitability and RoCE, remains to be seen.

Stiff competition from other players – The company is exposed to intense 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 relationships with reputed clients, competitive pricing by the Digital Edge group mitigate this risk to some extent.

Liquidity position: Adequate

The company’s liquidity position is adequate. The project cost of the BOM 2 campus is estimated to be funded by debt-to-equity ratio of 75:25. As on December 31, 2025, around Rs. 335 crore of equity has been infused for BOM2 and the balance equity to be infused as per capex phasing. The principal repayment obligations for BOM1 and BOM2 are expected to start in FY2028 and can be serviced through estimated cash flow from operations.

Rating sensitivities

Positive factors – ICRA could upgrade the rating with full commencement of rentals for incremental capacities along with improvement in debt protection metrics on a sustained basis.

Negative factors – Negative pressure on the rating could arise if there is a material delay or cost overrun of under-construction capacities. Further, large speculative capex and/or significant increase in indebtedness resulting in weakening of debt protection metrics, on a sustained basis will be credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Digital Edge DC (India) Pvt Ltd (DEI) is a joint venture company established by Digital Edge (India) Investments Pte Ltd (50%, a Digital Edge group entity which is backed by Stonepeak), NIIF (45%) and IDCCO Pte Ltd (5%). DEI's first project in India is a greenfield 350+ MW DC campus on a ~48-acre freehold land parcel in Navi Mumbai. The project would be completed in multiple phases.

Key financial indicators (audited)

Not applicable as the revenues have started in FY2026 only

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current (FY2026)				Chronology of rating history for the past 3 years							
						FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Mar 27, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating		
Fund-based - Term loan	Long term	4581.96	[ICRA]AA-(Stable)	14-May-25	[ICRA]A+(Stable)	-	-	14-Mar-24	[ICRA]A-(Stable)	-	-		
Non-fund based - Bank guarantee	Long term	60.00	[ICRA]AA-(Stable)	14-May-25	[ICRA]A+(Stable)	-	-	14-Mar-24	[ICRA]A-(Stable)	-	-		
Unallocated limits	Long term	1.86	[ICRA]AA-(Stable)	14-May-25	[ICRA]A+(Stable)	-	-	14-Mar-24	[ICRA]A-(Stable)	-	-		
Non-fund based - Others	Long term	48.18	[ICRA]AA-(Stable)	-	-	-	-	-	-	-	-		

Instrument	Complexity indicator
Long-term - Fund-based - Term loan	Simple
Long-term - Non-fund based - Bank guarantee	Simple
Long-term - Non-fund based - Others	Simple
Unallocated limits	NA

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	FY2024	NA	FY2041	4,581.96	[ICRA]AA- (Stable)
NA	Bank guarantee	NA	NA	NA	60.00	[ICRA]AA- (Stable)
NA	Unallocated limits	NA	NA	NA	1.86	[ICRA]AA- (Stable)
NA	CEL Limits	NA	NA	NA	48.18	[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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