

March 31, 2026

## Iron Mountain India Private Limited: Ratings reaffirmed; rated amount enhanced

### Summary of rating action

| Instrument*  | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action  |
|--|-----------------------------------|----------------------------------|--|
| Long-term – Fund-based limits – Overdraft                      | 105.00                            | 142.00                           | [ICRA]BBB- (Stable); Reaffirmed and assigned for enhanced amount |
| Long-term – Fund-based – Term loan                             | 167.00                            | 297.00                           | [ICRA]BBB- (Stable); Reaffirmed and assigned for enhanced amount |
| Long-term/ Short-term – Non-fund based limits – Bank Guarantee | 14.00                             | 14.00                            | [ICRA]BBB- (Stable)/[ICRA]A3; Reaffirmed                         |
| <b>Total</b>   | <b>286.00</b>                     | <b>453.00</b>                    |  |

\*Instrument details are provided in Annexure I

### Rationale

The ratings reaffirmation for Iron Mountain India Private Limited (IMIPL) considers the proven track record of its operations in the records management business, reputed customer profile, low customer concentration and a business model characterised by customer stickiness, supporting revenue visibility. The ratings also consider the need-based funding support available to IMIPL from its parent, Iron Mountain Inc. (IMI), which operates in the same line of business. The same has been demonstrated by equity infusion of Rs. 73.2 crore in FY2025 to support capital expenditure (capex) requirements, around Rs. 590 crore in August 2025 to fund the acquisition of Capital Records Center Private Limited (CRC), and an additional Rs. 224 crore in February 2026 for IMIPL's capex and working capital requirements. The parent company is expected to provide additional funding in FY2027 to support the growth plans of IMIPL. Further, IMI has also rolled over the external commercial borrowings (ECBs) which were falling due for repayment during FY2025 and FY2026, and will also roll over the ECBs falling due for repayment during FY2027. The ratings also take comfort from the company's business model, which ensures customer stickiness, along with IMIPL's low customer concentration.

IMIPL witnessed moderate revenue growth of 6.3% in FY2025 on a YoY basis, driven by gradual expansion of intake volumes, increase in rental income and new customer additions. Supported by the acquisition of CRC and healthy growth in the digital business, its revenues are expected to increase by over 30% in FY2026. CRC's acquisition is strategically aligned with IMIPL's focus on scaling up its digital business, with CRC providing strong access to government and PSU digitisation projects. IMIPL's operating profit margin (OPM) declined to 32.3% in FY2025 over 43.8% in FY2024 due to elevated operating expenses, a shift in revenue mix towards lower-margin digital services, acquisition-related costs and temporary inefficiencies arising from facility consolidation initiatives. The margin contraction is assessed to be transitional, with OPM (excluding CRC) improving to 41.6% in 9M FY2026, supported by stabilisation of operating costs, completion of consolidation initiatives, integration of CRC facilities and operating leverage from the scale-up of the digital business.

The ratings are, however, constrained by IMIPL's moderate scale of operations and concentrated revenue profile, as its entire revenue is generated from records management services. ICRA notes that the company has a presence in the digital data management system. However, the revenue share, although increasing, remains low at present, and the company's growth in this segment remains a key monitorable going forward. Further, the business remains capital intensive, necessitating regular capex related to warehousing needs. Though such investments will aid in capacity enhancement, IMIPL's ability to scale up and generate commensurate returns from its planned capex will remain critical. The ratings are also constrained by the working capital-intensive nature of operations due to an elongated collection cycle. This is evident from the high ratio of net working capital vis-à-vis operating income of 59.3% as on March 31, 2025, and the moderate financial risk profile owing to high debt

levels, as the entire warehousing facility is on lease, resulting in significant lease liabilities. Given the absence of any major debt-funded capex plans in the near term, debt protection metrics are expected to gradually improve from FY2027.

The Stable outlook on IMIPL's ratings reflects ICRA's opinion that the company will continue to benefit from its parentage and business model, with an expectation of growth in the digital data management system segment and established relationships with its customers.

## Key rating drivers and their description

### Credit strengths

**Part of the Iron Mountain Group, with demonstrated track record of support from IMI** – IMIPL is a 99.9% subsidiary of IMI, which was established in 1951 and has been operating in the records management business for almost seven decades. IMI operates through various subsidiaries across multiple geographies. ICRA derives comfort from the financial support IMI has extended to IMIPL since its inception in the form of equity infusion and ECBs, and expects the same to continue as and when needed. IMI has also provided corporate guarantees to banks for IMIPL's borrowings. Going forward, ICRA expects IMI to continue to provide need-based funding support to IMIPL. IMI has also rolled over the ECBs which were falling due for repayment during FY2025 and FY2026, and will also roll over the ECBs falling due for repayment during FY2027.

**Proven track record of operations** – IMIPL has an established operating track record in the records management business, with pan-India operations supported by a network of more than 60 leased warehouses. Over the years, the company has built execution capabilities across document storage, records management and allied services, enabling it to service customers across multiple locations in India.

**Sticky customer association and low customer concentration** – The records management business caters to customers from banking and corporate sectors, storing large volumes of documents over long periods (more than 10 years). This ensures strong customer association and lends longer revenue visibility. IMIPL has developed strong relationships with its clients over the years, which ensures repeat business. Further, customer concentration remains low, as reflected by the top 10 customers contributing less than 50% of total revenue over the past three years. IMIPL has witnessed healthy revenue growth, with a CAGR of 12% during FY2019-FY2025, driven by gradual expansion of intake volumes, escalation in rentals and new customer additions over the years. Further, the company has maintained a healthy OPM of over 30% and is expected to sustain this level going forward.

### Credit challenges

**High working capital and capital-intensive nature of business** – The company has a high working capital requirement, as depicted by the elevated net working capital vis-à-vis operating income of 59.3% as on March 31, 2025. The collection cycle remains elongated due to delayed payment realisations from Government entities, which have contributed around 25-30% of total revenue. Further, the nature of its business is capital intensive on account of capex related to warehousing and digitisation needs, which is necessary to support growth plans. Though such investments will aid in capacity enhancement, IMIPL's ability to scale up and generate commensurate returns will remain critical.

**Moderate financial risk profile** – The financial risk profile of IMIPL remains moderate owing to high debt levels, primarily lease liabilities, since all warehouse facilities are leased. The company has also availed ECB loans from its parent entity for repayment of term loans, working capital requirements and capex needs. IMIPL's capital structure remained moderate, with gearing of 4.9 times as on March 31, 2025, owing to high debt levels and a moderate net worth position due to low accretion to reserves. However, the capital structure has improved significantly in FY2026 owing to a large equity infusion of around Rs. 814 crore. IMIPL's leverage and coverage indicators also remain moderate, as reflected by total debt vis-à-vis operating profit of 7.9 times and interest coverage of 1.5 times as on March 31, 2025. However, some comfort can be drawn from the higher average residual lease tenor of 8-10 years. With the absence of any debt-funded capex plans, debt protection metrics are expected to improve going forward.

**Concentrated revenue profile and risks from secular shift away from paper and document storage in long term** – The company has a concentrated revenue profile as it derives around 75-80% of total revenue from the traditional physical records management business. Further, rising digitisation remains a long-term threat to the growth of physical data storage. However, ICRA notes that the company also operates in the digital data management segment, although its revenue share remains low at present. Nonetheless, the acquisition of CRC is strategically aligned with IMIPL’s focus on scaling up its digital business, with CRC providing strong access to Government and PSU digitisation projects.

### Liquidity position: Adequate

The liquidity position of IMIPL is adequate, supported by free cash and bank balances of around Rs. 12.5 crore as on March 31, 2025, and expected fund flow from operations of Rs. 100-150 crore in FY2026 and Rs. 150-200 crore in FY2027. The average working capital utilisation remained moderate at 39% of sanctioned limits for the last 15 months ending in January 2026, with a buffer of Rs. 66 crore as on January 31, 2026. Further, comfort can be drawn from IMIPL’s nil term loan repayment obligation during FY2026-FY2027, with the expectation that ECBs from the parent falling due for repayment in FY2027 will be rolled over. The company is estimated to incur capex of Rs. 400-500 crore (excluding right-of-use assets) during FY2026-FY2027 towards capacity expansion, consolidation of facilities and upgradation of existing infrastructure, which is likely to be funded through equity, additional term loans, cash flow from operations, and existing cash and bank balances. Equity infusion of nearly Rs. 224 crore in Q4 FY2026 and the parent company is expected to provide additional funding in FY2027 to support the growth plans of IMIPL, support the company’s liquidity position.

### Rating sensitivities

**Positive factors** – ICRA could upgrade IMIPL’s ratings if the company demonstrates a sustained reduction in debt levels and prudent leverage management. Additionally, a notable increase in its scale of operations and maintenance of healthy operating profit margins, leading to the strengthening of return indicators and liquidity profile on a sustained basis, will be positive. Improvement in the parent company’s credit profile could also act as a positive rating trigger.

**Negative factors** – Pressure on IMIPL’s ratings could arise if there is a material decline in revenue or profitability margins, adversely impacting debt coverage metrics on a sustained basis. Any large debt-funded capex or any stretch in working capital requirements, exerting pressure on liquidity or moderating coverage indicators on a sustained basis, will also be a negative rating trigger. Moderation in the credit profile of the parent company and/or weakening of linkages with the parent could also be a negative trigger.

### Analytical approach

| Analytical Approach             | Comments  |
|---------------------------------|---|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a>   |
| Parent/Group support            | Parent Company: Iron Mountain Inc. (IMI)<br>ICRA expect IMIPL’s parent, IMI, to be willing to extend financial support to IMIPL, should there be a need.          |
| Consolidation/Standalone        | The ratings are based on the consolidated financials of the company. As on March 31, 2025, the company had three subsidiaries, which are enlisted in Annexure II. |

### About the company

IMIPL is engaged in the business of document storage, records management and other document management activities. The company offers record management services, including storage of physical documents, tapes and critical customer data, and provides services across more than 61 locations in India. IMIPL has a presence in both physical storage and the digital data management business.

IMIPL has three subsidiaries, namely, OEC Records Management Company Private Limited (acquired on October 16, 2017), Recall India Information Management Private Limited (acquired on December 21, 2022) and Recall Total Information Management Private Limited (acquired on March 28, 2024). These subsidiaries operate in the same line of business, focusing on records management and document storage.

IMIPL is a subsidiary of IMI. The holding company, Iron Mountain Inc., is listed on the New York Stock Exchange (NYSE). IMI operates over 1,350 facilities worldwide and had more than 240,000 customers as on December 31, 2025. It currently serves customers across an array of market verticals, such as commercial, legal, financial, healthcare, insurance, life sciences, energy, business services, entertainment and Government organisations. IMI is a global leader in storage and information management services, with data stored in the form of paper, digital, media and other physical formats.

**Key financial indicators (audited):**

| IMIPL (consolidated)                                 | FY2024 | FY2025 |
|--|--------|--------|
| Operating income                                     | 469.8  | 499.2  |
| PAT  | -0.9   | -75.1  |
| OPBDIT/OI  | 43.8%  | 32.3%  |
| PAT/OI   | -0.2%  | -15.0% |
| Total outside liabilities/Tangible net worth (times) | 4.7    | 5.4    |
| Total debt/OPBDIT (times)                            | 5.4    | 7.9    |
| Interest coverage (times)                            | 2.3    | 1.5    |

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 (FY2026)     |                            |                             | Chronology of rating history for the past 3 years |                             |        |        |        |        |
|--|----------------------|----------------------------|-----------------------------|---|-----------------------------|--------|--------|--------|--------|
|  | FY2026               |                            |                             | FY2025  |                             | FY2024 |        | FY2023 |        |
|  | Type                 | Amount Rated ( Rs. crore ) | Mar 31, 2026                | Date  | Rating                      | Date   | Rating | Date   | Rating |
| Long term-term loan-fund based                       | Long Term            | 297.00                     | [ICRA]BBB-(Stable)          | Feb 26, 2025                                      | [ICRA]BBB-(Stable)          | -      | -      | -      | -      |
| Long term / short term-bank guarantee-non fund based | Long Term/Short Term | 14.00                      | [ICRA]BBB-(Stable)/[ICRA]A3 | Feb 26, 2025                                      | [ICRA]BBB-(Stable)/[ICRA]A3 | -      | -      | -      | -      |
| Long term-overdraft-fund based                       | Long Term            | 142.00                     | [ICRA]BBB-(Stable)          | Feb 26, 2025                                      | [ICRA]BBB-(Stable)          | -      | -      | -      | -      |

## Complexity level of the rated instruments

| Instrument   | Complexity indicator |
|--|----------------------|
| Long term – Fund based limits - Overdraft                      | Simple               |
| Long-term fund based – Term loan                               | Simple               |
| Long term/ Short Term – Non-Fund based Limits – Bank Guarantee | 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   | Overdraft       | NA               | NA          | NA       | 142.00                   | [ICRA]BBB-(Stable)          |
| NA   | Term loan       | FY2023           | NA          | FY2028   | 75.00                    | [ICRA]BBB-(Stable)          |
| NA   | Term loan       | FY2025           | NA          | FY2030   | 92.00                    | [ICRA]BBB-(Stable)          |
| NA   | Term loan       | FY2026           | NA          | FY2030   | 130.00                   | [ICRA]BBB-(Stable)          |
| NA   | Bank Guarantee  | NA               | NA          | NA       | 14.00                    | [ICRA]BBB-(Stable)/[ICRA]A3 |

Source: Company data, ICRA Research

[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 |
|---|-----------|------------------------|
| OEC Records Management Company Private Limited      | 99.99%    | Full Consolidation     |
| Recall India Information Management Private Limited | 99.75%    | Full Consolidation     |
| Recall Total Information Management Private Limited | 99.99%    | Full Consolidation     |

Source: Annual report, \*As on March 31, 2025

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