

June 30, 2025

BAM DLR Mumbai Private Limited: Rating assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term loan	2,180.00	[ICRA]A- (Stable); assigned
Total	2,180.00	

*Instrument details are provided in Annexure-I

Rationale

The assigned rating for BAM DLR Mumbai Private Limited (BDM) factors in the strong promoter profile with a track record of developing and managing large infrastructure and data centre (DC) projects. BDM is sponsored by Brookfield Asset Management (BAM), Digital Realty Trust Inc, (DLR), and Reliance Industries Limited (RIL, rated [ICRA]AAA (Stable)/[ICRA]A1+). The sponsors are likely to develop DC projects in India under Digital Connexion platform. BAM, a global alternative asset manager with over USD 850 billion of assets under management (AUM). DLR is one of the leading global DC providers with presence across 25+ countries and operational DC capacity of ~2,800 MW. RIL is one of the largest digital services providers in India. At present, the company has started construction of 40 MW DC capacity in Chandivali, Mumbai at a total project cost of Rs. 3,118 crore, which is estimated to be funded through debt-to-equity ratio of 70:30. The entire debt requirements are tied up and around Rs. 500 crore of equity has been infused for the project as of April 2025 leading to low funding risk. The balance equity is expected to be infused as per capex phasing. The project is likely to start operations from FY2028 in a phased manner. The rating considers the strong long-term demand prospects for DC's, backed by digital data explosion in India and favourable regulatory support.

These strengths are, however, partially offset by the exposure of the project to execution risk as it is currently in the nascent stages of construction. The project remains exposed to high market risks, given that there are nil pre-leasing tie-ups as on date. The company is susceptible to refinancing risk associated with the bullet repayment for the bank debt and any delay in tying-up of leases at adequate rates would adversely impact the debt protection metrics and would remain key monitorable. However, comfort can be drawn from the sponsors' commitment to infuse additional contribution as per the sanctioned debt terms towards operational shortfall and debt servicing till operations are stabilised post COD, with adequate time (debt has bullet repayment at end of sixth year post disbursement) to achieve leasing and experience of Digital Realty in dealing large DC clients globally. The company also faces heightened competition from large DC additions with the entry of new players in the segment and expansion plans of the existing players.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company would be able to achieve adequate leasing progress before the commencement of debt repayments benefitting from the healthy demand prospects for the sector 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

Strong promoter profile and experience of DLR in DC segment – BDM is sponsored by Brookfield Asset Management (BAM), Digital Realty Trust Inc, (DLR), and Reliance Industries Limited (RIL). BAM, a global alternative asset manager with over USD 850 billion of assets under management (AUM). DLR is one of the leading global DC providers with presence across 25+ countries and operational DC capacity of ~2,800 MW. RIL is one of the largest digital services providers in India. The key

management personnel of Digital Connexion platform and BDM have around two decades of experience construction and managing operations of DCs.

Low funding risk for the project – The company has currently started construction of a 40-MW DC capacity in Chandivali, Mumbai at a total project cost of Rs. 3,118 crore, which is estimated to be funded through debt-to-equity ratio of 70:30. The entire debt requirements are tied up and around Rs. 500 crore of equity has been infused for the project as of April 2025 leading to low funding risk. The balance equity is expected to be infused as per capex phasing and the project is likely to start operations from FY2028 in a phased manner.

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, 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 data centres, special incentives from Central and state governments are expected to boost DC investments in India and demand for the sector.

Credit challenges

Exposure to project execution and market risks – The company is exposed to execution risk as it is currently in the nascent stages of construction. The project remains exposed to high market risks, given that there are nil pre-leasing tie-ups as on date. Any delay in tying-up of leases at adequate rates would adversely impact the debt protection metrics and would remain the key monitorable.

Exposure to refinancing risk in the medium term – The company is exposed to refinancing risk associated with the bullet repayment for bank debt. However, comfort can be drawn from the sponsors' commitment to infuse additional contribution as per the sanctioned debt terms towards operational shortfall and debt servicing till operations are stabilised post COD, adequate time (debt has bullet repayment at end of sixth year post disbursement) to achieve leasing and experience of Digital Realty in dealing large DC clients globally.

Competition from established players – The company faces stiff competition from large DC additions from established players. The competition is likely to further intensify with the entry of new players in the segment.

Liquidity position: Adequate

The company's liquidity position is adequate. The project cost is estimated to be funded by debt-to-equity ratio of 70:30. The debt has been sanctioned, and the first draw down is likely to be done in July 2025 with bullet repayment in FY2032. Around 53% equity has been infused till April 2025, and the balance is expected to be infused as per the capex phasing.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if there is a significant ramp up in leasing at adequate rates providing visibility on timely refinancing of construction debt. Specific credit metric that could lead to a rating upgrade include 80% leasing in BDM.

Negative factors – Negative pressure on the rating could arise if there are material cost and time overruns in the project completion or considerable delay in leasing impacting the company's ability to refinance the construction debt.

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

BAM DLR Mumbai Private Limited (BDM) is setting up a 40-MW Tier III data centre (DC) in Chandivali, Mumbai. BDM is a part of Digital Connexion platform, a JV between BAM, DLR and RIL. Digital Connexion provides the full spectrum of highly connected and scalable data centre, colocation and interconnection solutions to meet the critical infrastructure needs of enterprises and digital services companies in India. The construction of project has started and will be completed in a phased manner over the next two-four years.

Key financial indicators

Not applicable being a project stage company

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					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs Crore)	June 30, 2025	Date	Rating	Date	Rating	Date	Rating
Term Loan	Long Term	2,180.00	[ICRA]A- (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	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	FY2026	NA	FY2032	2,180.00	[ICRA]A- (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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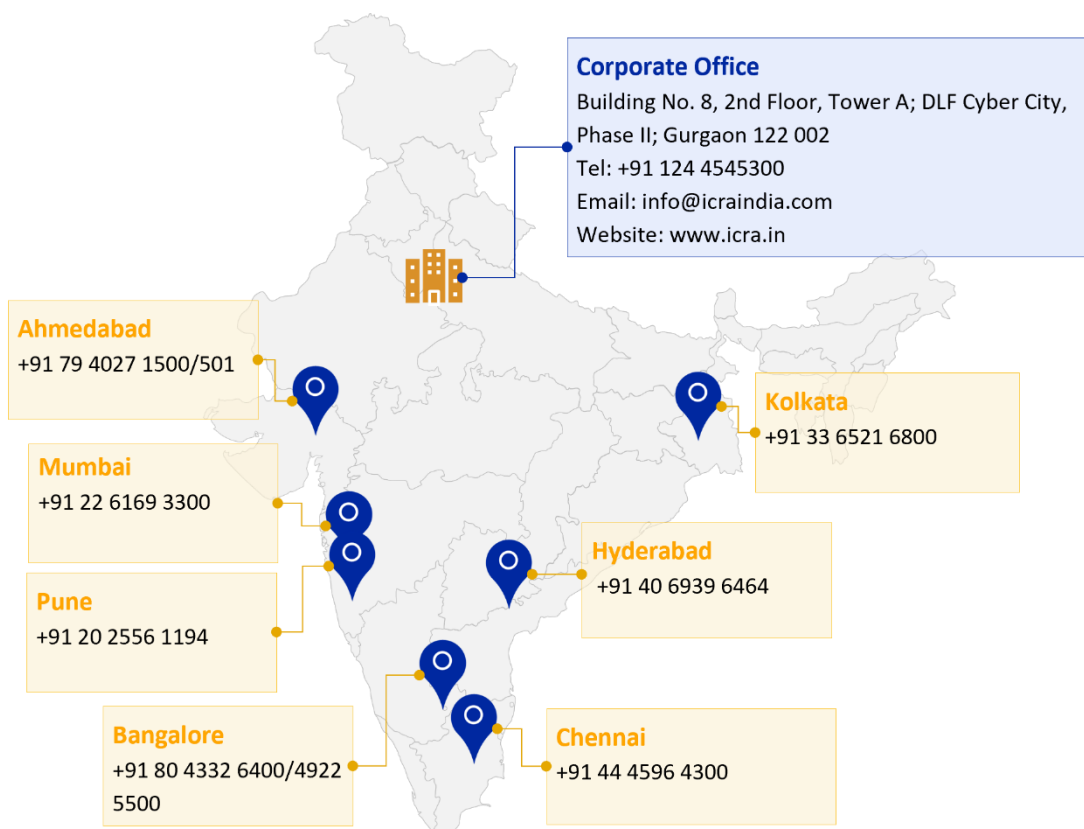
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