September 22, 2026

NTT Global Data Centers & Cloud Infrastructure India Private Limited: Ratings reaffirmed and assigned for enhanced amount for bank facilities, reaffirmed for NCDs

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Term loans	3,492.5	3,880.6	[ICRA]AA+ (Stable); reaffirmed/ assigned for enhanced amount	RBI
Proposed term loans	8.1	-	-	RBI
Working capital facilities	855.0	1,135.0	[ICRA]A1+; reaffirmed/ assigned for enhanced amount	RBI
Non-fund based limits	22.0	62.0	[ICRA]A1+; reaffirmed/ assigned for enhanced amount	RBI
Non-convertible debentures	500.0	500.0	[ICRA]AA+ (Stable); reaffirmed	MCA
Proposed non-convertible debentures	1,000.0	1,000.0	[ICRA]AA+ (Stable); reaffirmed	MCA
Total	**5,877.6**	**6,577.6**		

**Instrument details are provided in Annexure-I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

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 the data centres' (DCs) capacity utilisation, which improved at existing DCs and ramped up at newer DCs, which is likely to continue over 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 NTT, Inc. (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 a 32.25% (as on June 30, 2026) 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 lead to 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 the 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 capital expenditure (capex) (amounting to ~Rs. 4,500 crore) during FY2024-FY2026 for setting up additional capacities, while the ramp-up in utilisation happens with a lag, resulting in subdued

RoCE of ~7-8% in FY2026. 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 annually over FY2027-FY2029, 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 5.3-5.5 times as of March 2027 compared to an estimated 6.8 times as of March 2026, 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 recent times, wherein NTT has provided funding for its brownfield expansion. The ratings note the stiff competition from large DC additions with the entry of many new players in the segment and expansion plans of the existing participants. Nevertheless, the long track record of operations, diversified presence across cities and the long-term relationships with reputed clients provide a competitive advantage to NTT GDC India to some extent.

The Stable outlook on NTT GDC India's long-term 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, improving 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 robust growth of 14% to ~Rs. 3,740 crore in FY2026 (PY: Rs. 3,275 crore). Given the contracted agreements and healthy leasing pipeline, revenues are estimated to grow by 15-20% annually in FY2027 and FY2028. With increase in revenues and better absorption of fixed costs, its operating margins are expected to remain at 35-40% in FY2027 (FY2026: 37.2%). 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 lead to 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 into 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, Inc, 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 a 32.25% (as on June 30, 2026) 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 the 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 annually in FY2027 to FY2029, 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 5.3-5.5 times as of March 2027 compared to an estimated 6.8 times as of March 2026, 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. 4,500 crore) during FY2024-FY2026 for setting up additional capacities, while the ramp-up in utilisation happens with a lag, resulting in subdued RoCE of ~7-8% in FY2026.

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 participants. Nevertheless, the long track record of operations, diversified presence across cities and the long-term relationship with reputed clients provide a competitive advantage to NTT GDC India to some extent

Liquidity position: Adequate

NTT GDC's liquidity position is Adequate, with cash and bank balance of Rs. 223.5 crore as on March 31, 2026. It has sanctioned fund-based limits of Rs. 1,135.0 crore. The company has long-term debt repayment obligations of Rs. 683 crore in FY2027 and Rs. 621 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 annually over FY2027-FY2029, which will be primarily funded though 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	Corporate Credit Rating Methodology Realty - Leasing
Parent/Group support	Parent company: NTT Limited (UK), Ultimate parent company: NTT, Inc (NTT). The ratings assigned to NTT GDC India factor 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 NTT Inc, which is a global provider of information and communications technology solutions.

NTT GDC India provides DC co-location and dedicated hosting 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 285 MW.

Key financial indicators (audited)

NTT GDC India (consolidated)	FY2025	FY2026*
Operating income (OI)	3275.3	3740.4
PAT	110.4	100.8
OPBDITA/OI	41.1%	37.2%
PAT/OI	3.4%	2.7%
Total outside liabilities/Tangible net worth (times)	4.2	4.8
Total debt/OPBDITA (times)	5.9	6.8
Interest coverage (times)	2.1	2.4

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; * Standalone NTT GDC India provisional numbers*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	September 22, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Proposed limits	Long term	-	-	Mar 06, 2026	[ICRA]AA+ (Stable)	Mar 28, 2025	[ICRA]AA+ (Stable)	Mar 31, 2024	[ICRA]AA+ (Stable)
Fund-based – Term loan	Long term	3,880.6	[ICRA]AA+ (Stable)	Mar 06, 2026	[ICRA]AA+ (Stable)	Mar 28, 2025	[ICRA]AA+ (Stable)	May 12, 2023	[ICRA]AA+ (Stable)
				-	-	-	-	Aug 11, 2023	[ICRA]AA+ (Stable)
				-	-	-	-	Mar 31, 2024	[ICRA]AA+ (Stable)
Fund-based – Cash credit	Short term	1,135.0	[ICRA]A1+	Mar 06, 2026	[ICRA]A1+	Mar 28, 2025	[ICRA]A1+	May 12, 2023	[ICRA]A1+
				-	-	-	-	Aug 11, 2023	[ICRA]A1+
				-	-	-	-	Mar 31, 2024	[ICRA]A1+
Non-fund based – Others	Short term	62.0	[ICRA]A1+	Mar 06, 2026	[ICRA]A1+	Mar 28, 2025	[ICRA]A1+	May 12, 2023	[ICRA]A1+
				-	-	-	-	Aug 11, 2023	[ICRA]A1+
				-	-	-	-	Mar 31, 2024	[ICRA]A1+
Proposed NCD	Long term	1,000.0	[ICRA]AA+ (Stable)	Mar 06, 2026	[ICRA]AA+ (Stable)	-	-	-	-
NCD	Long term	500.0	[ICRA]AA+ (Stable)	Mar 06, 2026	[ICRA]AA+ (Stable)	-	-	-	-
Commercial paper	Short term	-	-	Mar 06, 2026	[ICRA]A1+; withdrawn	Mar 28, 2025	[ICRA]A1+	May 12, 2023	[ICRA]A1+
				-	-	-	-	Aug 11, 2023	[ICRA]A1+
				-	-	-	-	Mar 31, 2024	[ICRA]A1+

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	Financial Sector Regulator#
NA	**Term loan**	FY2020-2024	NA	FY2026-2037	3,880.6	[ICRA]AA+ (Stable)	RBI
NA	**Working capital facilities**	NA	NA	NA	1,135.0	[ICRA]A1+	RBI
NA	**Non-fund based limits**	NA	NA	NA	62.0	[ICRA]A1+	RBI
NA	**Proposed NCDs**	NA	NA	NA	1,000.0	[ICRA]AA+ (Stable)	MCA
INE613R08011	**NCD**	March 18, 2026	7.374%	March 01, 2038	500.0	[ICRA]AA+ (Stable)	MCA

Source: Company

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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*

ANALYST CONTACTS

Anupama Reddy
+91 40 6939 6427
anupama.reddy@icraindia.com

Rohan Kanwar Gupta
+91 124 4545 808
rohan.kanwar@icraindia.com

Abhishek Lahoti
+91 40 6969 6433
abhishek.lahoti@icraindia.com

D Mohammed Rabbani
+91 40 6939 6422
d.rabbani@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches