

Lightstorm Telecom Connectivity Private Limited

March 19, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	1,100.00	CARE AA-; Stable	Upgraded from CARE A; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Upgrade in the rating assigned to long-term bank facilities of Lightstorm Telecom Connectivity Private Limited (LTCPL) primarily factors a 43% increase in residual total contract value (TCV) to ₹2870 crore as on December 31, 2025, driven by new contracts with hyperscalers such as Microsoft, Meta and Amazon for data centre interconnect (DCI) services across India. This improved business risk profile by enhancing medium-term revenue visibility through long-tenure contracts, reflected in a comfortable weighted average contract expiry (WACE) period of around six years (weighted based on residual TCV) as on December 31, 2025. These factors are expected to support stable revenue growth in the medium term.

The rating upgrade also reflects healthy scale-up in operations and strong expansion in operating profitability. Total operating income (TOI) is expected to grow at a healthy rate in FY26, supported by strong monthly recurring revenue (MRR), after increasing 78% y-o-y to ₹589 crore in 9MFY26. Profit before interest lease depreciation and tax (PBILDT) margin improved to ~56.8% in 9MFY26 from 37.8% in FY25, aided by operating leverage. CARE Ratings Limited (CareEdge Ratings) anticipates operating profitability to remain healthy as network utilisation improves.

The rating further factors in significant improvement in leverage, with external debt to PBILDT improving to 1.06x as on December 31, 2025, from 2.46x as on March 31, 2025. Going forward, external debt to PBILDT is anticipated to remain below 3.0x in the medium term, supported by healthy cash accruals and lower dependence on external borrowings. However, higher-than-expected debt-funded capex that weakens leverage will remain a key rating monitorable.

The rating also considers a favourable demand outlook for DCI segment in India, driven by rising digitalisation, AI-adoption, surging data traffic, and increasing cloud adoption. Government policies supporting data sovereignty, longer tax benefits and large-scale data centre expansion are expected to strengthen demand for high-capacity, low-latency interconnection, benefitting LTCPL's fibre-based DCI offerings.

The rating continues to derive comfort from strong private equity (PE) investor backing, experienced management, and undertakings from investors. LTCPL is wholly owned by PE investors through I Squared Capital (ISQ), via its wholly owned Singapore-based subsidiary, Asia Connectivity Private Limited. ISQ focuses on global infrastructure investments across sectors such as energy, utilities, transport, and telecommunications. Its investments in digital infrastructure platforms across Asia and Europe provide strategic support, sector expertise, and access to global networks. ISQ has cumulatively infused ~₹1,776 crore in LTCPL (through debt and equity) as on December 31, 2025.

These strengths are partly offset by exposure to contract renewal risks and intense competition from large established players. While historical churn has been negligible and contract additions remain steady, sustaining renewals and growth amid competitive intensity remains critical. This apart, regulatory and technology-related risks are inherent to telecommunications infrastructure industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significantly increasing TOI, while maintaining healthy PBILDT margins and low leverage on a sustained basis.
- Addition of large-sized long-term contracts resulting in sustained increase in WACE improving revenue visibility.

Negative factors

- Significant churn in customer profile impacting operating performance and profitability on a sustained basis
- Higher-than-expected debt-funded capex and lower revenue generation, increasing external debt/PBILDT to beyond 3.0x on a sustained basis.
- Change in support philosophy and dilution in management control of ISQ.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach:

Standalone, factoring linkages with the PE parent (ISQ).

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation of organic growth in company revenues and operating profitability amid rising demand for data, following a favourable industry outlook and expected need-based support from ISQ.

Detailed description of key rating drivers:**Key strengths****Favourable industry outlook supporting DCI demand**

Data consumption remains a key growth driver for the communications industry, supported by rising digitalisation, enterprise cloud adoption, and the rollout of 5G networks. These trends are increasing demand for high-capacity, low-latency networks.

Rapid adoption of artificial intelligence (AI) and data-intensive applications is expected to significantly increase data processing needs, which will drive investments in hyperscale and AI-focused data centres and advanced networking infrastructure.

Consequently, demand for high-capacity fibre networks and robust DCI solutions is expected to grow. Growth will be supported by hyperscalers, OTT players, financial institutions and enterprises shifting to cloud-based platforms. With India's data centre capacity expected to rise significantly, the need for dense fibre connectivity and optical fibre cable (OFC) networks is also expected to increase, supporting LTCPL's medium-term DCI growth prospects.

Strong client profile and revenue visibility

The company entered medium-to-long term contracts with customers, with embedded lock-in periods and escalation clauses, aligned to customer off-take commitments. As on December 31, 2025, billed monthly recurring revenue stood at ~₹78 crore, improving from ₹49 crore a year earlier. WACE improved to about six years, strengthening medium-term revenue visibility.

Customer relationships built in the last five years, supported by strong service-level agreements (SLA) compliance and high service uptime, continue to aid longer-tenure contracts. The customer base includes leading hyperscalers such as Amazon, Meta, Microsoft and Google, and large enterprise clients such as Apple, Bloomberg, Flipkart, HDFC, ICICI and PhonePe.

CareEdge Ratings expects continued contract additions from hyperscalers, e-commerce, BFSI and gaming customers, supporting sustained visibility in the medium term.

Margin expansion driven by scale and utilisation

LTCPL developed major part of its utility grade fibre network through long-term lease arrangements with power transmission utilities, gas pipeline operators and other infrastructure agencies for utilisation of their right-of-way corridors. These arrangements involve upfront lease payments and lower ongoing operating costs, enabling operating leverage as network utilisation increases. Considering much of the optical fibre runs overhead on power transmission lines, it is far less prone to cuts than fibre laid in terrestrial networks.

With scale-up in operations driven by strong contract additions and increasing network utilisation, the company's TOI grew to 43% at ₹465 crore in FY25 and 78% in 9MFY26. PBILDT margins improved to 56.8% in 9MFY26 from 37.8% in FY25 due to better capacity utilisation and operating efficiencies.

CareEdge Ratings expects margins to remain healthy in the medium term, supported by operating leverage and rising DCI demand.

Improving leverage

Despite operating in a capital-intensive telecom infrastructure segment, LTCPL benefits from strong investor support through capital infusion in the form of external commercial borrowings (ECBs), non-convertible debentures (NCDs) and optionally convertible debentures (OCDs). These investor-funded instruments have reduced the company's dependence on external debt. ECBs extended by investors carry favourable terms such as modification of maturity date, conversion options, subordination to external debt, and restrictive payment clauses aligned with external lenders' covenants, providing stability to the capital structure.

As on December 31, 2025, total debt (including interest accrued and lease liabilities) stood at ₹2,102 crore, with external debt (including lease liabilities) forming 23% of total debt. External debt/PBILDT improved to 1.06x as of December 31, 2025, from 2.25x as of December 31, 2024, driven by improved scale and margins. Presence of debt service reserve account (DSRA) for three-months interest and principal obligation with cash sweep mechanisms provide comfort to the company's credit profile.

With capex nearing completion, capex intensity is expected to remain low, and external debt/PBILDT is expected to remain below 3.0x in the medium term. The company remains exposed to foreign currency risk as ₹905 crore (43% of total debt) comprises unhedged foreign-currency promoter ECBs.

Strong PE investor backing and an experienced management team

Founded by Amajit Gupta, Group Chief Executive Officer (CEO) and Managing Director (MD), LTCPL is wholly owned by the ISQ, through its wholly owned subsidiary in Singapore (Asia Connectivity Private Limited). Founded in 2012 and headquartered in Miami, ISQ focuses on global infrastructure investments with investments in energy, utilities, transport, and telecom projects in North America, Europe and select high growth economies, such as India and China. The firm has assets under management (AUM) of ~US\$55 billion and has investments in other digital infrastructure companies across Asia and Europe, including BDX, CloudKinetics, EXA, and HGC Global Communications, including business offerings such as data centres, managed network services, and fibre connectivity, which brings in knowledge exposure and strategic support to LTCPL.

ISQ has one non-executive director on its board of directors to oversee operations and LTCPL is managed by a team of professional and experienced personnel. Amajit Gupta has over 25 years of experience in technology and telecommunication companies and is supported by a team of professionals with decades of experience in the industry. ISQ's management further articulated to bring in funds to support operations during exigencies. The promoter (Asia Connectivity Private Limited) has also given an undertaking including for bringing funds for shortfall in debt servicing and ISQ retaining controlling stake in the promoter.

Key weaknesses**Exposure to contract renewal risk amid high competition from established players**

LTCPL remains exposed to contract renewal risk given the longer tenure of its term loan (7.75 years) compared to the WACE of around six years as on December 31, 2025. Connectivity industry is characterised by high competition from large established players such as Tata Communications Limited and Bharti Airtel Limited, which already have significant terrestrial and undersea cable capacities.

While the company historically demonstrated strong customer retention with negligible churn and continued addition of contracts in the last 12 months, sustaining business growth and contract renewals amid such competitive intensity remains a key rating monitorable.

Sector regulatory and technology risks

The telecommunications sector is subject to regulatory uncertainties and remains susceptible to adverse changes in regulatory and licensing framework, which may affect LTCPL's business prospects. The sector is also exposed to rapid technological advancements, necessitating continuous adaptation and potential investments in research and development to remain competitive.

The communications industry is highly capital intensive, requiring substantial investments in establishing and maintaining cable networks. This has also reflected in the modest return on capital employed for FY25; however, the metric is on an improving trajectory and is expected to strengthen significantly in FY26. Fibre networks are susceptible to rips and cuts, which may disrupt connectivity, and may require replacement or technological upgrades over time, leading to significant capital outlays. However, LTCPL primarily operates on an operational expenditure (opex) model, with majority fibre network built under lease arrangements with power transmission utilities, gas pipeline operators, and other agencies, which is expected to limit incremental capex requirements going forward. The company's ability to consistently maintain agreed SLAs with customers remains critical from credit perspective, as repair and maintenance for the leased network is undertaken by the respective lessors, including state power transmission utilities and other public sector undertakings.

Liquidity: Strong

Strong liquidity is marked by free cash & bank balance aggregating to ₹368 crore as of December 31, 2025, in addition to a DSRA balance of ₹20 crore equivalent to three months' debt servicing obligations, and expectation to generate strong cash accrual against external annual debt repayment obligations of ₹80-110 crore for the projected period. This provides sufficient headroom for LTCPL's capex plans. The company's operating cycle was comfortable at 30 days for FY25, as credit terms with customers are for 30-45 days, and collection risk remains low considering reputable customers.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

- [Definition of Default](#)
- [Factoring Linkages Parent Sub JV Group](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Financial Ratios – Non financial Sector](#)
- [Service Sector Companies](#)
- [Infrastructure Sector Ratings](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Telecommunication	Telecommunication	Telecom - services	Telecom - cellular and fixed line services

LTCPL is wholly owned by PE investors, ISQ, through its wholly owned subsidiary in Singapore (Asia Connectivity Private Limited). Founded by Amajit Gupta, CEO and MD, LTCPL was incorporated on March 27, 2019. The company obtained unified license in August 2020, valid for 20 years, for providing ISP, NLD, and ILD services in the national service area. LTCPL has built a significant utility-grade fibre network spanning over 31,585 Kms and provides Network-as-a-Service (NaaS) to enterprises including several Fortune 500 companies across the country and Nepal and Bangladesh. The company has presence in twelve cities, offering data centre interconnect for 250+ DCs and managed optical fibre network services to its customers. Founded in 2012 and headquartered in Miami, ISQ has AUM worth over US\$55 billion and focuses on global infrastructure investments with investments in energy, utilities, transport, and telecom projects in North America, Europe and select high growth economies, such as India and China.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	324	465	589
PBILDT*	94	176	334
Profit after tax (PAT)	-112	-103	18
Overall gearing (x)	4.51	8.72	9.53
Interest coverage (x)	1.22	1.29	2.23

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax; this excludes non-operating income.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	31-10-2032	1100.00	CARE AA-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (06-Mar-25)	1)CARE A; Stable (27-Mar-24) 2)CARE A; Stable (25-Oct-23)	-
2	Fund-based - LT-Term Loan	LT	1100.00	CARE AA-; Stable	-	1)CARE A; Stable (06-Mar-25)	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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