

February 04, 2026

## IG3 Infra Limited: Rating reaffirmed

### Summary of rating action

| Instrument*                         | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action                 |
|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------------|
| Long-term – Fund-based – Term loans | 2,265.0                              | 2,265.0                             | [ICRA]A- (Stable); reaffirmed |
| Long-term – Non-fund based limits   | 47.7                                 | 47.7                                | [ICRA]A- (Stable); reaffirmed |
| <b>Total</b>                        | <b>2,312.7</b>                       | <b>2,312.7</b>                      |                               |

\*Instrument details are provided in Annexure I

### Rationale

The rating reaffirmation factors in IG3 Infra Limited<sup>1</sup>'s (IG3's) healthy occupancy of its office asset, Chennai One IT SEZ, at 98% as of December 2025, along with adequate leverage and comfortable debt coverage metrics. IG3 owns and operates Chennai One IT SEZ asset with a leasable area of 3.8 million square feet (msf). It has launched a plotting project with a saleable area of 0.42 msf in Devanahalli, Bengaluru. ICRA notes that the occupancy of the hotel (with 73 keys in Madurai) under Grand Luxe Hotels Limited (GLHL) is adequate. IG3 plans to develop a data centre (DC) in Bengaluru under ETL Secure Space Ltd (ESSL). The rating notes the favourable location of its office asset, plotted project, along with the reputed tenant profile and competitive rentals at Chennai One IT SEZ. The company's debt increased to Rs. 2,181 crore as of November 2025, compared to Rs. 1,979 crore as on March 31, 2025, as it drew unutilised bank lines to fund its capital expenditure towards construction of the additional leasable area. Supported by healthy occupancy levels, IG3's leverage is expected to remain adequate with total debt/annualised net operating income (NOI) estimated around 6.5 times as of March 2026 (PY: 6.8 times) and less than 6 times as of March 2027. The debt coverage metrics are likely to be comfortable with five-year average DSCR of projected at around 1.5 times over FY2026-FY2030.

However, the rating remains constrained by the high tenant concentration risk, with the top five tenants occupying 63% of the leased area as of December 2025. Further, the weighted average leasing expiry (WALE) of the asset is 3.0 years, which is significantly shorter than the remaining debt maturity of ~14 years as of October 2025, thereby exposing the company to lease renewal risks. Nevertheless, significant fit-out cost incurred by the tenants and competitive rentals partially mitigate this risk. IG3 remains exposed to asset and geographical concentration inherent to single asset portfolios and the debt coverage metrics remain exposed to changes in interest rates or material reduction in occupancy levels. For the plotted development project, the company remains exposed to market risk with 70% of the unsold area and residual execution risk with 17% of the project cost yet to be incurred as of March 2025, alongside the execution and market risks associated with the planned DC development. The rating is constrained by the advances and investments by IG3 to Group companies, which impact its return on capital employed. The scale of future capex and investments in other projects and funding mix of the same will be the key monitorable.

The Stable outlook reflects ICRA's expectation that the company will benefit from the favourable location of the project and healthy occupancy levels resulting in comfortable debt coverage metrics, while maintaining adequate leverage.

<sup>1</sup> ICRA has consolidated the financials of IG3 with ETL Secure Space Ltd (ESSL) and Grand Luxe Hotels Limited (GLHL) as IG3 extended corporate guarantee to the debt of ESSL and GLHL. ESSL is a subsidiary of IG3 and GLHL is a subsidiary of Grand Luxe Hotel (Coorg) Limited.

## Key rating drivers and their description

### Credit strengths

**Healthy occupancy levels; comfortable debt coverage metrics** – The company's occupancy levels remain healthy at around 98% as of December 2025 (from around 100% as of November 2024). This along with favourable capital structure is expected to result in comfortable debt coverage metrics with five-year average DSCR of around 1.5 times during FY2026-FY2030. The leverage, as reflected by total debt/annualised NOI, is expected to remain adequate at around 6.5 times as of March 31, 2026 (PY: 6.8 times) and below 6 times in the medium term, supported by healthy rentals and incremental collections from its plotted project.

**Reputed tenant profile and favourable location of property** – The project, 'Chennai One IT SEZ', owned and operated by IG3, consists of reputed tenant profile and is located close to the IT corridor of Old Mahabalipuram Road (OMR) in Chennai. The micro-market has adequate social infrastructure and good connectivity with the rest of the city via major roads and upcoming purple metro line, which enhances its marketability. The proximity of the SEZ to one of the prominent markets for office supports high occupancy levels of the asset.

### Credit challenges

**High tenant concentration and lease renewal risks** – The company is exposed to tenant concentration risk, wherein the top five tenants accounts for 63% of the leased area as of December 2025. Further, it is exposed to lease renewal risk, wherein the WALE of the asset stood at 3.0 years compared to the remaining debt maturity of around 14 years as of October 2025. Nevertheless, these risks are partly mitigated by the competitive rentals as well as the significant fit-out cost incurred by the tenants. It also faces asset and geographical concentration risks, which are inherent in single-asset portfolios.

**High investment and advance to group companies and other projects** – IG3 has extended significant investments and advances to related parties and subsidiaries as on September 30, 2025, along with the previous investments in certain projects and non-revenue generating assets. The company plans to develop a DC project in Bengaluru over the medium term, which exposes it to execution and market risks, while the plotting projects remain susceptible to the residual execution risk with 17% of the project cost yet to be incurred and market risk with 70% of the unsold area as of March 2025. The scale of future capex and investments in other projects and the funding mix of the same will be the key monitorable.

### Liquidity position: Adequate

The company's liquidity position is adequate with free cash and liquid investments of Rs. 482 crore as on September 30, 2025. IG3 has debt repayment obligations (P+I) of Rs. 128.0 crore and Rs. 240.0 crore in H2 FY2026 and FY2027 respectively, which can be comfortably serviced through its estimated cash flow operations. It maintains a debt service reserve account (DSRA) of Rs. 56 crore, covering three months of debt obligations. It has capex plans of around Rs. 300.0 crore, to be incurred in FY2026-FY2027 towards constructing an additional leasable area of 0.6 msf in the asset, which is expected to be funded through the recently raised top-up debt and internal accruals.

### Rating sensitivities

**Positive factors** – ICRA could upgrade IG3's rating if the company demonstrates a sustained high occupancy level, along with an improvement in debt protection metrics on a sustained basis. Specific credit metrics for a rating upgrade include five-year average DSCR greater than 1.5 times on a sustained basis.

**Negative factors** – The rating may be downgraded if there is a material decline in occupancy levels or significant increase in indebtedness resulting in weakening of debt coverage and leverage metrics. Further, any material incremental investments or loans and advances to group companies will be a credit negative. Specific credit metric for a rating downgrade includes the five-year average DSCR declining below 1.3 times or total debt/annualised NOI above 6.5 times on a sustained basis.

## Analytical approach

| Analytical approach             | Comments  |
|---------------------------------|---|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Realty – Lease Rental Discounting (LRD)</a>  |
| Parent/Group support            | Not applicable  |
| Consolidation/Standalone        | ICRA has consolidated the financials of IG3 with ETL Secure Space Ltd (ESSL) and Grand Luxe Hotels Limited (GLHL) as IG3 has extended a corporate guarantee to the debt of ESSL and GLHL. ESSL is a subsidiary of IG3 and GLHL is a subsidiary of Grand Luxe Hotel (Coorg) Limited. |

## About the company

IG3 Infra Limited (formerly known as Indian Green Grid Group Limited), a Chennai-based company, has developed an Information Technology-Special Economic Zone (IT-SEZ) – ‘Chennai One’, at Pallavaram-Thoraipakkam, in Chennai, with a total leasable operational commercial space of 3.8 msf. The company is promoted by Ms. Unnamalai Thiagarajan. It completed the first phase of the IT SEZ on a land area of 7.86 acres with a leasable area of 1.05 msf in FY2007. Further, the North Block and South Block of the second phase, got commercialised in FY2016 and FY2019, respectively. At present, the company is constructing an additional leasable area of 0.6 msf in the Chennai One property, which will be completed in the medium term. At present, the company is developing a plotted project, in Bengaluru with a total saleable area of 0.42 msf. While the Phase 1 of the project is already launched, the Phase 2 of the project is expected to be launched in FY2027. Overall, the company has sold around 30% of the total saleable area.

Further, IG3 has provided a corporate guarantee to the debt facilities of its subsidiaries, ETL Secure Space Ltd (ESSL) and Grand Luxe Hotels Limited (GLHL). Under ESSL, the Group plans to develop a DC project in Bengaluru in the medium term and under GLHL, the Group has an operational hotel in Madurai with 73 keys.

### Key financial indicators (audited)

| IG3 (consolidated)                                   | FY2024 | FY2025* |
|--|--------|---------|
| Operating income                                     | 378.2  | 375.1   |
| PAT  | 90.9   | 99.6    |
| OPBDIT/OI  | 72.4%  | 76.2%   |
| PAT/OI   | 24.0%  | 26.6%   |
| Total outside liabilities/Tangible net worth (times) | 2.3    | 2.2     |
| Total debt/OPBDIT (times)                            | 6.7    | 6.9     |
| Interest coverage (times)                            | 1.5    | 1.4     |

Source: Company, ICRA Research; \* Provisional numbers; 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) | February 04, 2026 | Date  | Rating           | Date         | Rating             | Date          | Rating             |
| <b>Long-term-Term loan-Fund-based</b>  | Long Term        | 2265.00                  | [ICRA]A-(Stable)  | Dec 30, 2024                                      | [ICRA]A-(Stable) | Oct 06, 2023 | [ICRA]BBB+(Stable) | Sept 23, 2022 | [ICRA]BBB (Stable) |
| <b>Long-term-Non-fund based limits</b> | Long Term        | 47.70                    | [ICRA]A-(Stable)  | Dec 30, 2024                                      | [ICRA]A-(Stable) | Oct 06, 2023 | [ICRA]BBB+(Stable) | Sept 23, 2022 | [ICRA]BBB (Stable) |
| <b>Long-term-Unallocated</b>           | Long Term        | 0.00                     | -                 | -   | -                | Oct 06, 2023 | [ICRA]BBB+(Stable) | Sept 23, 2022 | [ICRA]BBB (Stable) |

### Complexity level of the rated instruments

| Instrument                         | Complexity indicator |
|------------------------------------|----------------------|
| Long-term – Fund-based – Term loan | Simple               |
| Long term – Non-fund based limits  | 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       | FY2025           | NA          | FY2040   | 2265.0                   | [ICRA]A- (Stable)          |
| NA   | Non-fund based  | NA               | NA          | NA       | 47.7                     | [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**

| Company name              | Ownership as of March 31, 2025 | Consolidation approach |
|---------------------------|--------------------------------|------------------------|
| IG3 Infra Limited         | -                              | Full consolidation     |
| ETL Secure Space Ltd      | 100.0%                         | Full consolidation     |
| Grand Luxe Hotels Limited | 100.0%                         | Full consolidation     |

Source: Company, ICRA Research

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### Branches



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