

April 19, 2024

Antariksh Warehousing and Logistics Parks Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term - Term loans	115.70	115.70	[ICRA]A- (Stable); reaffirmed
Long-term/Short-term Interchangeable limits [^]	(15.00)	(15.00)	[ICRA]A- (Stable)/[ICRA]A2+; reaffirmed
Total	115.70	115.70	

*Instrument details are provided in Annexure-I

[^]Letter of Credit (LC)/Bank Guarantee (BG), sublimit of Term Loan

Rationale

The rating reaffirmation factors in the favourable location of the warehousing park being developed by Antariksh Warehousing and Logistics Parks Private Limited (AWLPPL) in Bhaproda, Haryana and rental commencement for 59% of the total leasable area of the project (Phase I and Phase II) as of December 2023. Phase I of the project has been fully completed and leased, while Phase II is in advanced stage with completion expected within the revised DCCO of July 01, 2024. Phase I of the project has been funded in a debt-to-equity ratio of 0.70:1, while Phase II is being funded in a debt-to-equity ratio of 1.24:1. Post completion of Phase II, AWLPPL's overall leverage is estimated to be comfortable with total external debt/annualised net operating income (NOI) of ~5.7 times as of March 2025. The ratings continue to draw comfort from the strong business profile of the IndoSpace network with an established track record in the industrial, warehousing and logistics park business in India. The project faces low funding risk, as 84% of the promoter's contribution for the Phase II has been infused as of December 2023, and the debt tie-up is in place.

The ratings, however, are constrained by the residual execution risk for Phase II, wherein 25% of the cost was yet to be incurred as of December 2023, against the revised DCCO of July 01, 2024. The company faces significant market risk for Phase II, wherein no lease tie-ups are in place currently. The repayments for CF loan for Phase I have already commenced in FY2023 and are scheduled to commence for the CF loan for Phase II from July 31, 2024. Given the slow leasing progress for Phase II, the company's overall debt coverage indicators are estimated to be moderate with 5-year average DSCR of ~1.1 times for FY2025-FY2029. Its ability to achieve lease tie-ups for the balance area at adequate rental rates in a timely manner will remain a key rating monitorable. Nevertheless, ICRA derives comfort from the sponsor's vast experience in the warehousing space, large portfolio of IndoSpace across geographies and its established relationship with potential tenants. Additionally, ICRA expects the sponsor to provide timely funding support to AWLPPL, in case the need arises. The company is also exposed to high geographical and asset concentration risks inherent in single project companies.

The Stable outlook on the rating reflects ICRA's opinion that AWLPPL will be able to complete the residual construction within the revised timeline of July 01, 2024, and tie-up leases at adequate rentals for the pending area in a timely manner.

Key rating drivers and their description

Credit strengths

Strong business profile and track record of sponsors – AWLPPL is promoted by ILP II Ventures X Pte. Ltd (part of IndoSpace), which is sponsored by Realterm Global, Everstone Capital and GLP Global. Realterm Global has more than 20 years of experience in developing industrial and logistics parks across the world. At present, it manages assets worth over USD 7 billion. It operates some of the largest and most modern facilities in North America and other parts of the world. Everstone Capital is a prominent India-focused investment firm. The Everstone Group manages funds of over USD 5 billion in private equity and

real estate. GLP Global is an investment firm with over USD 100 billion assets under management (AUM) across real estate and private equity segments.

Favourable project location; full leasing and commencement of rentals for Phase I – The industrial and logistics park is located 6 km from Delhi-Rohtak National Highway (NH10), which has high demand potential from third-party logistics (3PL), consumer goods and e-commerce companies. The proximity to NH10 enables good connectivity through a well-developed road network to Delhi, Gurgaon, Himachal Pradesh, Punjab, and Rajasthan. AWLPPL has completed the construction of the planned three blocks under Phase I of Bhaproda Park. The company has leased 100% of the total area in Phase I and rentals for all the blocks have already commenced (for B100(A) in November 2020, for B100 (B) in December 2020, for B200 in December 2021, for B100 (C) in May 2022, for B300 in October 2022).

Low funding risk for Phase II; comfortable leverage – The project's funding risk is low with Phase I already being completed. For the Phase II, the entire debt has been tied up and 84% of the entire budgeted promoter contribution was infused as of December 2023. Phase I of the project has been funded in a debt-to-equity ratio of 0.70:1, while Phase II is being funded in a debt-to-equity ratio of 1.24:1. Post completion of Phase II, AWLPPL's overall leverage is estimated to be comfortable with total external debt/ annualised NOI of ~5.7 times as of March 2025.

Credit challenges

Exposure to market risk and residual execution risk for Phase II – As of December 2023, Phase I accounting for 59% of the total leasable area of the project (consolidated for both phases) was fully leased and rentals had commenced. However, no leasing tie-ups were achieved for Phase II, accounting for the remaining 41% of the total leasable area, exposing the company to significant market risks. The risk is mitigated to some extent by the leasing track record witnessed in the first phase, the established relationship with potential tenants and improving demand for warehousing space in the micromarket as evidenced from some of the recent lease tie-ups achieved by the Group for its other assets. The company also faces residual execution risk for Phase II, wherein 25% of total cost was yet to be incurred as of December 2023 against the revised DCCO of July 01, 2024.

Moderate debt coverage indicators – Given the slow leasing progress for Phase II, the company's overall debt coverage indicators are estimated to be moderate with 5-year average DSCR of ~1.1 times for FY2025-FY2029 period. Its ability to achieve lease tie-ups for the balance area at adequate rental rates in a timely manner will remain a key rating monitorable. Nevertheless, ICRA derives comfort from the sponsor's vast experience in the warehousing space, large portfolio of IndoSpace across geographies and its established relationship with potential tenants. Additionally, ICRA expects the sponsor to provide timely funding support to AWLPPL, in case the need arises.

Geographical and asset concentration risks – Indospace Bhaproda is the single project undertaken by AWLPPL, thus it is exposed to high geographical and asset concentration risks inherent in single project companies.

Liquidity position: Adequate

The company's liquidity position is adequate with Rs. 8.87 crore of cash and bank balance as on December 31, 2023. It has Rs. 16.5-crore undrawn bank loans as on December 31, 2023, which along with the pending equity commitments will be used for funding the pending budgeted project cost of Rs. 25.8 crore as on December 31, 2023. The debt repayments for the bank debt for Phase I has commenced in FY2023 and the cash flows available are sufficient to meet the debt obligations. The debt repayments for Phase II are scheduled to commence from July 31, 2024, given which timely tie-up of leases at adequate rentals will remain important. Nonetheless, the surplus from Phase I rentals, available cash balances and commitment from the sponsor to infuse funds if required, are expected to support the liquidity profile.

Rating sensitivities

Positive factors – ICRA could upgrade AWLPPL's ratings on achieving full leasing of Phase II at adequate rental rates. Specific credit metric for a rating upgrade is five-year DSCR greater than 1.30 times on a sustained basis.

Negative factors – Pressure on AWLPPL’s ratings could arise if there are considerable delays in securing balance lease tie-ups at adequate rental rates resulting in sustained pressure on the credit metrics.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty- Lease Rental Discounting
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Antariksh Warehousing and Logistics Parks Private Limited is currently developing an industrial and logistics park, IndoSpace Bhaproda, on a land admeasuring approx. 36 acres, with a total leasable area of 0.7 million square feet (msf). The company has launched Phase II of the project to offer a total leasable area of approx. 0.5 msf. It is a 100% subsidiary of ILP II Ventures X Pte. Ltd., Singapore.

Key financial indicators (audited)

	FY2022	FY2023	9M FY2024*
Operating income	7.2	12.2	11.1
PAT	-4.9	-6.2	-3.2
OPBDIT/OI	77.30%	69.20%	79.48%
PAT/OI	-67.50%	-51.00%	-28.84%
Total outside liabilities/Tangible net worth (times)	0.7	0.9	0.88
Total debt/OPBDIT (times)	10.6	8.6	7.85
Interest coverage (times)	0.8	0.9	1.08

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; all ratios as per ICRA’s calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Amount outstanding as on Dec 31, 2023 (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022
				Apr 19, 2024	-	Jan 13, 2023	Jan 14, 2022
1 Term loans	Long term	115.70	90.5	[ICRA]A-(Stable)	-	[ICRA]A-(Stable)	[ICRA]A-(Stable)
2 Non-fund based facilities*	Long term and short term	(15.00)	--	[ICRA]A-(Stable)/[ICRA]A2+	-	[ICRA]A-(Stable)/[ICRA]A2+	[ICRA]A-(Stable)/[ICRA]A2+

*Letter of Credit (LC)/Bank Guarantee (BG), sublimit of Term Loan

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term loan	Simple
Letter of credit & bank guarantee	Very 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 1	April 2020	NA	FY2030	61.82	[ICRA]A- (Stable)
NA	Term loan 2	September 2021	NA	FY2034	53.88	[ICRA]A- (Stable)
NA	Letter of credit & bank guarantee	April 2020	NA	NA	(10.0)^	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Letter of credit & bank guarantee	September 2021	NA	NA	(5.0)*	[ICRA]A- (Stable)/ [ICRA]A2+

Source: Company ^sublimit of Term Loan 1, *sublimit of Term Loan 2

[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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