

March 27, 2025

Legor Logistics Private Limited: Rating upgraded to [ICRA]BBB+ from [ICRA]BBB and outlook revised to Positive from Stable

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based – term loan	75.00	75.00	[ICRA]BBB+; upgraded from [ICRA]BBB and outlook revised to Positive from Stable
Total	75.00	75.00	

*Instrument details are provided in Annexure I

Rationale

The rating upgrade for Legor Logistics Private Limited (Legor) factors in the significant increase in leasing to 64% (including signed LOI) as of February 2025 (35% as of December 2023), along with commencement of rentals for 44% of the leasable area as of February 2025 (17% as of December 2023) resulting in an improvement in the cash flow visibility. Legor has developed an industrial and logistics park on 26.6 acres of land, with a leasable area of 0.6 million square feet (msf), spread across four units, in Tiruvallur district of Tamil Nadu. The project is favourably located with good connectivity to highways and various industrial areas in the vicinity. The rating considers the comfortable leverage as well as adequate debt coverage metrics estimated for the project. The rating draws comfort from the strong business profile of the IndoSpace Group with an established track record in the industrial, warehousing and logistics park business in India.

The rating is, however, constrained by the project's exposure to market risk as 36% of the area is yet to be tied up as of December 2024. However, it is in advanced stages of discussion with prospective tenants for leasing the balance area and the extensive experience, leasing capabilities of the sponsor in the warehousing space provide additional comfort. The company is vulnerable to high geographical and asset concentration risks inherent in a single project portfolio. ICRA notes the presence of a rating-linked event of default covenant specified in the bank sanction, although adequate cushion exists at the current rating level.

The Positive outlook reflects ICRA's opinion that the company will benefit from the extensive experience of its sponsor, IndoSpace, in the warehousing space, enabling it to secure lease tie-ups for the untied area at adequate rental rates, resulting in adequate debt coverage metrics.

Key rating drivers and their description

Credit strengths

Adequate leasing and comfortable leverage - The significant increase in leasing to 64% (including signed LOI) as of February 2025 (35% as of December 2023), along with commencement of rentals for 44% of leasable area as of February 2025 (17% as of December 2023) is resulting in an improvement in cash flow visibility. Further, the company is in advanced discussions with prospective tenants to lease the balance 36% area. Considering the extensive experience and leasing capabilities of the sponsor in the warehousing space, ICRA expects the untied area to be leased in near term. Also, ICRA derives comfort from the comfortable leverage and the adequate debt service coverage ratio (DSCR) estimated from the project.

Favourable project location - The project is located in Koodapakkam, Poonamallee, Tiruvallur district of Tamil Nadu. The site is well-connected by road, being 2.3 km from the Tiruvallur – Poonamallee High Road (State Highway 50), and 13 km from National Highway NH 48. In addition, the logistics park is well-connected to various industrial areas in the vicinity.

Established track record and strong sponsor profile lends exceptional financial flexibility - Legor's main promoter is ILP III Ventures X Pte. Ltd. (part of The Indospace network), 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 \$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 \$5 billion in private equity and real estate. GLP Global is an investment firm, managing multiple asset classes, including real estate, private equity and infrastructure. It has over \$100 billion assets under management (AUM) across the real estate and private equity segments.

Credit challenges

Exposure to market risk - As of December 2024, the project achieved leasing for 64% (35% as of December 2023) of the leasable area of the park, which includes the recently signed LOI for 20% of the total leasable area. Market risk persists as the company is yet to finalise the tenants for 36% of the leasable area. While it is in discussions with the prospective tenants, its ability to achieve timely leasing at adequate rental rates will be the key rating monitorable.

Geographical and asset concentration risks - The company is exposed to high geographical and asset concentration risks inherent in single project companies. However, ICRA draws comfort from IndoSpace's diverse portfolio of logistics and industrial parks, including developed and under-development parks, across India.

Vulnerability to changes in interest rates - The debt coverage ratios remain vulnerable to changes in interest rates.

Liquidity position: Adequate

Legor's liquidity position is adequate with Rs. 6.3 crore of free cash and liquid investments as of December 2024. The company has debt repayment of Rs. 0.3 crore in FY2026, which can be comfortably serviced through its estimated cash flow from operations.

Rating sensitivities

Positive factors - Tie-up of leases for the balance blocks at adequate rental rates and improvement in the debt coverage metrics, with five-year average DSCR of greater than 1.2 times, on a sustained basis, may trigger a rating upgrade.

Negative factors - Any considerable delays in lease tie-ups at adequate rental rates or any significant increase in indebtedness impacting the debt servicing indicators could lead to a rating downgrade.

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

Legor, incorporated in 2018, has developed an industrial and logistics park, on a land admeasuring 26.6 acres, with a total leasable area of 0.6 msf in Koodapakkam, Poonamallee, Tiruvallur district of Tamil Nadu. Legor is jointly owned by ILP III Ventures X Pte. Ltd. (74%), which is sponsored by Realterm Global, Everstone Capital and GLP Global and Siyat Projects LLP (26%), promoted by the Siyat Group.

Key financial indicators (audited)

Legor Logistics Private Limited	FY2023	FY2024
Operating income	3.1	2.8
PAT	0.2	-11.7
OPBDIT/OI	77.7%	37.1%
PAT/OI	6.9%	-423.5%
Total outside liabilities/Tangible net worth (times)	3.2	10.6
Total debt/OPBDIT (times)	30.5	104.1
Interest coverage (times)	2.7	0.1

Source: Company, ICRA Research; 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

Current rating (FY2025)				Chronology of rating history for the past 3 years					
FY2025				FY2024		FY2023		FY2022	
Instrument	Type	Amount rated (Rs. crore)	Mar 27, 2025	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	75.00	[ICRA]BBB+(Positive)	29-Dec-2023	[ICRA]BBB (Stable)	21-Oct-2022	[ICRA]BBB (Stable)	12-Aug-2021	[ICRA]BBB (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	October 2020	-	February 2036	75.00	[ICRA]BBB+(Positive)

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

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3358

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Pulkit K Varshney

+91 80 4332 6447

pulkit.varshney@icraindia.com

Hemanth Vasishta Attaluri

+91 40 6939 6419

vasishta.attaluri@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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.