

April 30, 2025

## Ishanvi Industrial & Logistics Park Private Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	119.37	119.37	[ICRA]BBB (Stable); reaffirmed
Short-term – Interchangeable – Letter of credit (LC) #	-	(10.00)	[ICRA]A2; reaffirmed
Short-term – Interchangeable – Bank guarantee (BG) #	-	(10.00)	[ICRA]A2; reaffirmed
<b>Total</b>	<b>119.37</b>	<b>119.37</b>	

\*Instrument details are provided in Annexure I

#LC and BG are sub limits of Term Loan

### Rationale

The rating reaffirmation for Ishanvi Industrial & Logistics Park Pvt. Ltd. (Ishanvi) factors in the favourable sponsor profile, along with the established track record of IndoSpace network<sup>1</sup> (IndoSpace) in the industrial warehousing and logistics space in India and the exceptional financial flexibility. The ratings derive comfort from the low funding risk of the project with the entire debt for the project construction already tied up and around 90% of the committed equity requirement already infused as on December 31, 2024, for a budgeted debt-to-equity ratio of 0.95:1 for the project. The leverage is estimated to remain adequate with moderate debt coverage metrics for the project in the medium term. The ratings factor in the favourable location of the project as it is well-connected via highways to various industrial areas such as Ambala-Rajpura and key cities in the state. As on March 31, 2025, the company has completed the construction of four block (B-300, B-400, B-500, and B-600), accounting for 61% of the total leasable area against 20% till September 30, 2023.

The ratings are, however, constrained by the project's exposure to residual execution risk with ~23% of the total budgeted project cost yet to be incurred as on December 31, 2024. Further, as on March 31, 2025, the company is yet to begin the construction of the remaining three blocks (B-100, B-200, and B-700), against the date of commencement of commercial operations (DCCO) of March 31, 2026. ICRA is given to understand that the construction of the remaining blocks is subject to finding a suitable tenant for these blocks as these are proposed to be built-to-suit as per the tenant's requirements. The ratings note that Ishanvi is exposed to high market risk as only 20% of the area was leased as of March 31, 2025. While it is in various stages of discussions with the prospective tenants, the ability to achieve timely leasing at adequate rental rates will be a key rating monitorable. The company is vulnerable to high geographical and asset concentration risks inherent in a single project portfolio. The debt coverage ratios remain vulnerable to changes in interest rates.

The Stable outlook reflects ICRA's opinion that the company is expected to complete the project within the DCCO and secure lease tie-ups at adequate rental rates, supported by the extensive experience of its sponsor, IndoSpace, in the warehousing space and maintain adequate leverage metrics.

<sup>1</sup> ILP III Ventures VI Pte. Ltd., Singapore (a part of the IndoSpace network, which is sponsored by Realterm Global, Everstone Capital and GLP Global)

## Key rating drivers and their description

### Credit strengths

**Strong track record and business profile of main sponsor** – Ishanvi is promoted by ILP III Ventures VI Pte. Ltd., Singapore (part of IndoSpace). IndoSpace 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. At present, it manages assets worth over \$7 billion and 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, and 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. Indospace has an established track record in the industrial, warehousing and logistics space in India, along with exceptional financial flexibility.

**Favourable project location** – The project is in Rajpura, Punjab. The site is well-connected by road, located on Grand Trunk Road (erstwhile NH 1, recently renamed as NH 44) connecting Delhi to Amritsar and is 43 km southeast of Chandigarh. Additionally, the proposed logistics park is well connected to various industrial areas in the vicinity such as Ambala-Rajpura belt, which is a warehousing and logistics hub due to its proximity to Chandigarh, Patiala, Ludhiana and Zirakpur. It faces minimal competition as Grade-A parks are limited in the region.

**Low funding risk** – The project has low funding risk with the entire debt for the project construction already tied up and around 90% of the committed equity requirement already infused as on December 31, 2024, for a budgeted debt-to-equity ratio of 0.95:1 for the project. The leverage is estimated to remain adequate with moderate debt coverage metrics for the project in the medium term.

### Credit challenges

**Exposure to project execution risk** – The company is exposed to residual execution risk with ~23% of the total budgeted project cost yet to be incurred as of December 2024 (36% as of September 2023). Out of the seven blocks, it has completed the construction of four blocks, while construction of the balance three blocks is yet to be started, against the DCCO of March 31, 2026. ICRA is given to understand that the construction of the remaining blocks is subject to finding a suitable tenant for these blocks as these are proposed to be built-to-suit as per the tenant's requirements. Nevertheless, ICRA draws comfort from the additional equity infusion, extensive experience, financial flexibility, and leasing and construction capabilities of the sponsor in the warehousing space.

**Exposure to market risk** – The company is exposed to high market risk as only 20% of the area was leased as on March 31, 2025 (September 2023: 20%). While it is in various stages of discussions with the prospective tenants, the ability to achieve timely leasing at adequate rental rates will be a 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. Further, the debt coverage ratios remain vulnerable to changes in interest rates.

### Liquidity position: Adequate

The company's liquidity position is adequate. As of March 2025, it reported a free cash and liquid balance of Rs. 3.8 crore, and undrawn term loan of Rs. 25.4 crore. The pending construction cost will be funded through a mix of promoter's contribution, internal accruals, and security deposits. ICRA draws comfort from the track record of timely infusion of funds by the sponsor into various special purpose vehicles (SPVs), whenever needed. The debt repayments for the CF loan will commence from

August 2026. The cash flow from the project's operations is estimated to be sufficient to service the debt obligations upon completion.

## Rating sensitivities

**Positive factors** – ICRA could upgrade the ratings if the company achieves significant progress in leasing at adequate rental rates, along with timely completion of project without any major cost overruns leading to comfortable debt protection metrics.

**Negative factors** – Delays in project progress or tying up balance leases at adequate rental rates or any significant increase in indebtedness impacting the debt protection metrics may warrant a rating downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Realty - Lease Rental Discounting (LRD)</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Ishanvi Industrial and Logistics Park Pvt. Ltd., a 100.00% subsidiary of ILP III Ventures VI Pte. Ltd., Singapore, is an SPV for setting up of an industrial and logistics park at Rajpura, Punjab. The company owns the land for the development of the aforesaid project. The project is being developed on land admeasuring approx. 47.08 acres. The project is being developed on this land with the total leasable area of 1.2 msf. The project consists of 7 blocks, namely: B-100, B-200, B-300, B-400, B-500, B-600, and B-700. As on March 31, 2025, the company has completed the construction of blocks B-300, B-400, B-500, and B-600.

## Key financial indicators (audited)

Standalone	FY2023	FY2024
Operating income	5.6	6.7
PAT	-1.9	-7.5
OPBDIT/OI	52%	46%
PAT/OI	-34%	-112%
Total outside liabilities/Tangible net worth (times)	1.4	2.7
Total debt/OPBDIT (times)	24.3	39.2
Interest coverage (times)	1.3	0.6

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

Instruments	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Apr 30, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
<b>Term loan</b>	Long-term	119.37	[ICRA]BBB (Stable)	-	-	Jan 31, 2024	[ICRA]BBB (Stable)	Nov 22, 2022	[ICRA]BBB (Stable)
<b>Letter of credit*</b>	Short-term	(10.00)	[ICRA]A2	-	-	-	-	-	-
<b>Bank guarantee*</b>	Short-term	(10.00)	[ICRA]A2	-	-	-	-	-	-

\* LC and BG are sub limits of Term Loan

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Short-term – Interchangeable – Letter of credit (LC)	Very simple
Short-term – Interchangeable – Bank guarantee (BG)	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	April 03, 2021	-	FY2036	119.37	[ICRA]BBB (Stable)
NA	Letter of credit*	NA	NA	NA	(10.00)	[ICRA]A2
NA	Bank guarantee*	NA	NA	NA	(10.00)	[ICRA]A2

Source: Company; \* LC and BG are sub limits of Term loan

[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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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](http://www.icra.in)

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