June 30, 2025

LI Industrial Parks Pvt Ltd: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based-Term Loan	216.66	675.00	[ICRA]BBB+ (Stable); reaffirmed and assigned for enhanced amount
Long term-Interchangeable – Overdraft#	-	(20.00)	[ICRA]BBB+ (Stable); assigned
Total	**216.66**	**675.00**	

**Instrument details are provided in Annexure I; # Sublimit of term loan*

Rationale

ILV Distripark Private Limited (ILVDPL), ILV Distripark (MWC) Private Limited (ILVMWC) and LI Industrial Parks Private Limited (LIPPL) are part of entities owned and managed by the Blackstone Group Inc (the sponsor), together referred as pooled assets. The debt for the pooled assets has a common lender, cross collateralisation and cross default clauses. The pooled assets have an operational area of around 4 million square feet (msf) which is 97% occupied as of May 2025 and ~1 msf of under-construction area for which lease is yet to be tied up. With the recent refinancing of the pooled assets along with top up loan, the leverage has increased. However, considering the elongated repayment schedule with ballooning structure and lower interest rates, the debt coverage metrics remain comfortable for the pooled assets with projected five-year average DSCR of 1.40-1.45 times during FY2026 – FY2030. Considering the debt structure, ICRA expects that the surplus at each special purpose vehicle (SPV) will be utilised for debt servicing of the other SPVs, should a need arise.

The rating reaffirmation for LIPPL factors in the adequate construction progress of the under-construction area, sustained strong occupancy for the completed area, and adequate debt coverage metrics, which is likely to sustain in the medium term. The occupancy level was at 68% of the total leasable area (3.33 msf) and the occupancy remained strong at 97% for the operational area of 2.33 msf as on May 31, 2025 (95% as on March 31, 2024). LIPPL recently refinanced its debt with a top-up loan having an elongated tenure, ballooning repayment structure and lower interest rate. Consequently, despite an increase in leverage metrics, the debt coverage metrics is expected to remain adequate with 5-year average DSCR of 1.30-1.35 times (FY2026 – FY2030). Further, the LRD facility includes a debt service reserve account (DSRA) balance equivalent to three months of debt servicing obligations. The rating considers the strong sponsor profile, its established track record in managing the industrial, warehousing and logistics assets across India and the favourable location of the asset. LIPPL is wholly owned and controlled by Blackstone Inc (the sponsor), through its affiliates.

The rating is, however, constrained by high leverage due to refinancing of the existing loan with a top-up. The construction for the remaining area is expected to be completed by September 2025 (except one small block of 0.05 msf). Although it has a leasing pipeline for part of the pending area, the timely leasing of the under-construction area at adequate rentals remains critical for improvement of debt protection metrics. The rating also notes the susceptibility of the debt coverage ratios to factors such as changes in interest rates or reduction in occupancy levels. Further, growing competition in the industrial warehousing segment may put pressure on the occupancy or the rental rates over the medium to long term.

The Stable outlook on [ICRA]BBB+ rating reflects ICRA's opinion that LIPPL will maintain healthy occupancy for the completed area, tie-up adequate leasing for the under-construction area, which will support the debt protection metrics.

Key rating drivers and their description

Credit strengths

Strong occupancy for the completed area; adequate debt coverage metrics – The occupancy level was at 68% of the total leasable area (3.33 msf) and the occupancy remained strong at 97% for the operational area of 2.33 msf as on May 31, 2025 (95% as on March 31, 2024). LIPPL recently refinanced its debt with a top-up loan having elongated tenure, ballooning repayment structure and lower interest rate. Consequently, despite an increase in leverage metrics, the debt coverage metrics is expected to remain adequate with 5-year average DSCR of 1.30-1.35 times (FY2026 – FY2030). Further, the LRD facility includes a DSRA balance equivalent to three months of debt servicing obligations.

Established track record and strong sponsor profile – LIPPL is wholly owned and controlled by Blackstone Inc (the sponsor), through its affiliates. Blackstone is among the largest alternative asset management firms in the world and one of the largest landlords of commercial office, urban consumption centre and warehousing assets across India. Post the acquisition of Horizon Industrial Parks Private Limited (HIPPL) in May 2021, Blackstone consolidated its presence in the industrial and warehousing assets spread across key markets in India. ICRA expects LIPPL to benefit from the strong sponsor profile and its established track record in managing the industrial, warehousing and logistics assets across India.

Credit challenges

Leverage capital structure – The company's leverage increased due to refinancing of the existing loan with a top-up. The rating notes the susceptibility of the debt coverage ratios to factors such as changes in interest rates or reduction in occupancy levels. Further, growing competition in the industrial warehousing segment may put pressure on the occupancy or the rental rates over the medium to long term.

Exposure to high market risk for under-construction area of 1 msf – The construction for the remaining area is expected to be completed by September 2025 (except one small block of 0.05 msf). Although it has a leasing pipeline for part of the pending area, the timely leasing of the under-construction area at adequate rentals remains critical for improvement of debt protection metrics.

Liquidity position: Adequate

The company's liquidity position is adequate. LIPPL had free cash balance of Rs. 18.7 crore and Rs. 11.8 crore of undrawn overdraft limits, as on March 31, 2025. It has debt repayment obligations of around Rs. 51.7 crore and Rs. 53.1 crore in FY2026 and FY2027, respectively, which can be comfortably serviced through its estimated cash flow from operations. The company has a pending capex of around Rs. 80 crore as of March 2025, which will be partly funded by undrawn overdraft limits, available cash balances at the consolidated level of pooled assets and the remaining by equity infusion/internal accruals.

Rating sensitivities

Positive factors – The rating may be upgraded if there is a significant increase in leasing at adequate rental rates, resulting in improvement in debt protection metrics or improvement in the credit profile of the pooled assets.

Negative factors – Pressure on the rating could arise if there any material decline in occupancy or considerable delays in achieving lease tie-ups at adequate rental rates for the under-construction area of LIPPL. Further, material deterioration in the credit profile of pooled assets will be a negative factor.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#) [Realty - Lease Rental Discounting (LRD)](#)
Parent/Group support*	Parent: Pool of three entities namely LI Industrial Parks Private Limited (LIPPL), ILV Distripark Private Limited (ILVDPL), and ILV Distripark (MWC) Private Limited (ILVMWC). All the three entities have common lenders, and the debt availed by them has a presence of cross collateralisation and cross-default clauses. The rating for LIPPL has been arrived at by following the analytical steps as given below 1. An assessment of the standalone credit profile of LIPPL. 2. An assessment of credit profiles of the pooled assets by considering consolidated business and financial risk profiles. 3. The final rating for the bank facility of LIPPL is arrived at by suitably notching up the standalone rating after duly considering the support from the pooled assets as per the debt structure and the linkages between the standalone entity and the pooled assets.
Consolidation/Standalone	Standalone

**During the previous rating exercise parent/group support was not appliable as the debt at each SPV level did not have any cross-default or cross collateralisation of assets. Post recent refinancing of the loan, the debt structure has changed and hence there is a change in rating approach.*

About the company

LIPPL, established on August 28, 2018, is involved in development, leasing and maintenance of an industrial park in Luhari (in Jajjar, Haryana within NCR region). The total leasable area of the entire project, being developed across three phases, is approximately 3.3 msf. The company launched Phase-I of the project with a leasing potential of 1.2 msf in FY2020 and was entirely compete as of March 2025. In FY2022, it commenced construction of Phase-II of the project with a leasable area of 1.3 msf and Phase-III with leasable area of 0.8 msf. The construction for the remaining area is expected to be completed by September 2025 (except one small block).

ILVDPL, established in 2014, operates an industrial warehouse park called Mappedu Logistics Park (MLP) with a total leasable area of around 1.2 msf in Satharai village, Mappedu, Tamil Nadu. The warehouse park is located at a distance of 54 km from Chennai.

ILVMWC, established in 2016, operates an industrial warehouse park in MWC, with a total leasable area of around 0.42 msf in Chengalpattu, Tamil Nadu. The warehouse park is located at 55 km from Chennai close to the industrial corridor. The warehouse park is 100% occupied by 3 multinational tenants.

Key financial indicators (audited)

LIPPL (Standalone)	FY2023	FY2024	9MFY2025*
Operating income (OI)	30.4	41.8	41.5
PAT	-42.9	-25.4	-11.5
OPBDIT/OI	74.4%	80.5%	87.6%
PAT/OI	-141.2%	-60.8%	-27.7%
Total outside liabilities/Tangible net worth (times)	10.4	22.5	46.0
Total debt/OPBDIT (times)	21.2	15.7	12.1
Interest coverage (times)	1.1	1.2	1.5

*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

	Current (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	June 30, 2025	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	675.00	[ICRA]BBB+ (Stable)	07- Jun-24	[ICRA]BBB+ (Stable)	13- Jun-23	[ICRA]BBB (Positive)	15- July-22	[ICRA]BBB (Positive)
Interchangeable - Overdraft*	Long term	(20.00)	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

**Sublimit of term loan*

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	Simple
Long term-Interchangeable – Overdraft*	Simple

**Sublimit of term loan*

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**	March 2025	-	FY2040	675.00	[ICRA]BBB+ (Stable)
NA	**Interchangeable - Overdraft***	-	-	-	(20.00)	[ICRA]BBB+ (Stable)

*Source: Company; *Sublimit 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

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Anupama Reddy
+91 40 6939 6427
anupama.reddy@icraindia.com

Abhishek Lahoti
+91 40 6939 6433
abhishek.lahoti@icraindia.com

Mihir Gada
+91 22 6169 3326
mihir.gada@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

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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.

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ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches