June 30, 2025

ILV Distripark (MWC) Private Limited: 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 Loans	79.00	135.00	[ICRA]A (Stable); reaffirmed and assigned for enhanced amount
Long Term – Unallocated	1.00	0.00	-
Long term – Interchangeable - Overdraft#	-	(15.00)	[ICRA]A (Stable); assigned
Total	**80.00**	**135.00**	

**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 ILVMWC factors in the 100% occupancy, favourable location of the asset in Mahindra World City (MWC), near Chennai and comfortable debt coverage metrics, which is likely to sustain in the medium term. The company 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 (Debt/NOI of 8 times), the debt coverage metrics are expected to remain comfortable with five-year average DSCR at around 1.5 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 and its established track record in managing the industrial, warehousing and logistics assets across India. ILVMWC is wholly owned and controlled by Blackstone Inc (the sponsor), through its affiliates.

The rating is, however, constrained by the company’s moderate scale and exposure to geographical and asset concentration risks inherent in single project companies. The tenant concentration remains high with three tenants occupying 100% of the leasable area, of which 62% area is occupied by a single tenant contributing to 56% of the rental income. Any significant weakening in the credit profile or business operations of the tenants, resulting in material reduction in occupancy or delays in rent receipts, may adversely impact ILVMWC’s operational cash flows. However, the asset’s track record of sustaining healthy occupancy in the recent years, its established relationships with tenants, demonstrated track record of renewal/addition of leases mitigate the tenant concentration and lease renewal risks to an extent. Further, the company does not have any leases due for renewal over the next two years, thereby reducing the vacancy risk to an extent. The rating notes the susceptibility of its debt coverage ratios to factors such as changes in interest rate or reduction in occupancy levels. Further, the increase in 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 the rating reflects ICRA's opinion that ILVMWC will benefit from the favourable location of asset, generate steady rental revenues and maintain comfortable debt coverage metrics.

Key rating drivers and their description

Credit strengths

Operational asset having full occupancy levels; comfortable debt coverage metrics – ILVMWC operates an industrial warehouse park in Mahindra World City, Chennai with a total leasable area of 0.42 msf. The asset is completely leased out and has an operational track record of around eight years. The company 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 are expected to remain comfortable with five-year average DSCR at around 1.5 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 – ILVMWC 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 ILVMWC to benefit from the strong sponsor profile and its established track record in managing the industrial, warehousing and logistics assets across India.

Credit challenges

Leveraged capital structure – The company's leverage increased with total external debt/annualised NOI of around 8 times as of March 2025 due to refinancing of the existing loan with a top-up. The debt coverage metrics remain susceptible to rise in interest rates and reduction in occupancy levels. Further, the increase in competition in the industrial warehousing segment may put pressure on the occupancy or the rental rates over the medium to long term. Nonetheless, asset's track record of sustaining healthy occupancy along with elongated debt repayment period provides comfort.

Single asset concentration and high tenant concentration risk – The company is exposed to geographical and asset concentration risks due to the single asset nature of development. Further, the tenant concentration risk remains high with three tenants occupying 100% of the leasable area, of which 62% area is occupied by a single tenant contributing to 56% of the rental income. Any significant weakening in the credit profile or business operations of the tenants resulting in reduction in occupancy or delays in rental receipts may adversely impact ILVMWC's operational cash flows. However, the asset's track record of sustaining healthy occupancy in the recent years, its established relationships with tenants, demonstrated track record of renewal/addition of leases mitigate the tenant concentration and lease renewal risks to an extent. Further, the company does not have any leases due for renewal over the next two years, thereby reducing the vacancy risk to an extent.

Liquidity position: Adequate

The liquidity is adequate as reflected by stable rental inflows, limited operating expenses and unencumbered cash balances of Rs. 3.4 crore and Rs. 12.8-crore undrawn overdraft limits, as on March 31, 2025. The company has debt repayment obligations of around Rs. 9.9 crore and Rs. 10.6 crore in FY2026 and FY2027 respectively, which can be comfortably serviced through its estimated cash flow from operations. There are no capex plans for ILVMWC in the near to medium term.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if there is an overall improvement in the occupancy of pooled assets resulting in an improvement in leverage metrics and debt coverage metrics on a sustained basis. Specific credit metric that could lead to an upgrade is Total Debt/NOI less than 6 times of the pooled assets on a consistent basis.

Negative factors – Negative pressure on the rating could emerge if there is a material decline in the occupancy or rental rate of ILVMWC. Further, any prolonged pressure in occupancy for the pooled assets or material increase in indebtedness resulting in weakening of leverage and debt coverage metrics on a sustained basis or five-year average DSCR of pooled assets below 1.25 times on a consistent basis may trigger a rating downgrade.

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 ILVMWC has been arrived at by following the analytical steps as given below 1. An assessment of the standalone credit profile of ILVMWC. 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 ILVMWC 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

ILVMWC, established in 2016, operates an industrial warehouse park in MWC, with a total leasable area of 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.

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.

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 million square feet (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, the company 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).

Key financial indicators (audited)

ILVMWC (Standalone)	FY2023	FY2024	9MFY2025*
Operating income (OI)	13.1	14.6	12.0
PAT	-7.1	-5.3	1.2
OPBDIT/OI	88.7%	89.5%	83.2%
PAT/OI	-54.5%	-36.3%	10.1%
Total outside liabilities/Tangible net worth (times)	11.5	22.2	16.6
Total debt/OPBDIT (times)	9.0	7.7	7.2
Interest coverage (times)	1.0	1.1	2.3

*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	135.00	[ICRA]A (Stable)	23-Apr- 24	[ICRA]A (Stable)	25-Apr- 23	[ICRA]A (Stable)	-	-
Unallocated	Long term	0.00	-	23-Apr- 24	[ICRA]A (Stable)	25-Apr- 23	[ICRA]A (Stable)	-	-
Interchangeable - Overdraft*	Long term	(15.00)	[ICRA]A (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	135.00	[ICRA]A (Stable)
NA	**Interchangeable - Overdraft***	-	-	-	(15.00)	[ICRA]A (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

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