

October 29, 2025

ILP 3 India 8 Private Limited: Rating reaffirmed; outlook revised to Positive

Summary of rating action

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund Based – Term Loan	153.70	153.70	[ICRA]BBB+ (Positive); reaffirmed; Outlook revised to Positive from Stable
Total	153.70	153.70	

[^]Instrument details are provided in Annexure I

Rationale

The revision in outlook considers ILP 3 India 8 Private Limited's (ILP) healthy leasing progress, along with project completion, which is likely to result in adequate debt protection metrics. The company has developed an industrial and logistics park at Luhari, Haryana, in the National Capital Region (NCR) with a total leasable area of 1.38 million square feet (msf), spread across four warehouse units. The project achieved DCCO on March 31, 2025. It has achieved healthy leasing with ~83% of the area leased and the rentals commenced for 57% of the leased area as of September 2025. ILP has recently refinanced the outstanding construction finance (CF) loan of Rs. 153.7 crore as on September 30, 2025 with lease rental discounting (LRD) loan of Rs. 195.0 crore. However, the debt drawn is to the extent of the repayment of the outstanding CF loan. Consequently, ILP's leverage and debt coverage metrics are estimated to remain adequate in the medium term. The rating draws comfort from the project's favourable location with good connectivity to Gurgaon and Delhi, and other adjacent industrial and warehousing hubs. ICRA factors in the exceptional financial flexibility of IndoSpace and its track record of honouring the sponsor undertakings to lenders by infusing funds into various special purpose vehicles (SPVs), whenever needed. The rated facility has an escrow mechanism and a debt service reserve account (DSRA), equivalent to three months of repayment obligations during the entire loan tenure. The rating notes the established track record of the IndoSpace Group in the industrial, warehousing and logistics space in India.

The rating is, however, constrained by the project's exposure to market risk for ~17% of the unleased area. The weighted average balance lease expiry period is 5 years compared to the weighted average debt maturity of around 12 years. Any significant vacancy for a prolonged period will adversely impact the company's cash flows and debt coverage indicators. The vacancy risk, nevertheless, is mitigated to some extent by the large portfolio of the IndoSpace Group across geographies and its established relationship with reputed tenants. ICRA notes that the draw down of the LRD top-up and its impact on debt protection metrics will be a key monitorable. The company is also vulnerable to high geographical and asset concentration risks inherent in a single project portfolio.

Key rating drivers and their description

Credit strengths

Strong track record and business profile of sponsor – ILP 3 India 8 Private Limited is promoted by ILP III Ventures XVIII Pte. Ltd., Singapore (part of the IndoSpace network). 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 USD 11 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. The Everstone Group manages funds of over USD 7 billion in private equity and real estate. GLP Global is an investment firm with over USD 60 billion assets under management (AUM) across the real estate and private equity segments.

Favourable project location – The project is located at Luhari, Haryana, in the NCR. The site is 20 km from Bilaspur Chowk (located on NH 48), providing connectivity through a well-developed network in Gurgaon and Delhi. This location has a high potential as a logistics hub for regional and national distribution for 3PL, consumer goods and e-commerce companies, thus supporting the occupancy levels.

Adequate leverage and coverage estimated from project – The company has completed the construction of all units as of March 2025 and ~83% of the area has been leased. It has recently taken an LRD loan of Rs. 195 crore at better interest rates and a longer tenor. This will be utilised for repayment of the outstanding CF loan of Rs. 153.7 crore. Consequently, the leverage is likely to remain comfortable at 5.5-6.0 times as of March 2026. The debt coverage indicators are likely to remain adequate.

Credit challenges

Exposure to market risk – The company has achieved lease tie-up for 83% of the total area and the rentals have commenced for 57% of the leased area as of September 2025. It is exposed to market risk for the balance area. However, the experience of IndoSpace to lease projects on time, offers comfort.

Vulnerability to changes in occupancy and interest rates – ILP faces vacancy risk due to a weighted average lease expiry of ~5 years, which is significantly shorter than its weighted average debt maturity of ~12 years. Prolonged vacancies could strain its cash flows and weaken the debt coverage metrics. However, this risk is partially mitigated by the Group’s extensive portfolio across geographies and its strong tenant relationships. The company also remains exposed to any movements in the interest rates, given the steady rental revenues.

Geographical and asset concentration risks – The company 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 around Rs. 5.0 crore of free cash and liquid investments as on March 31, 2025. Further, the undrawn LRD top up will be utilised only in case of increment capex requirements with respect to the prospective tenants. The debt repayments in FY2026 and FY2027 are expected to be adequately serviced from the cash flows of the leased blocks.

Rating sensitivities

Positive factors – The ratings may be upgraded in case of a significant increase in rentals resulting in an improvement in debt coverage metrics while maintaining the leverage at adequate levels on a sustained basis.

Negative factors – The outlook may be revised in case of considerable delays in tying up balance leases or lease tie-ups at inadequate rental rates, or any significant increase in indebtedness impacting the debt protection metrics.

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

ILP 3 India 8 Private Limited, a 100% subsidiary of M/s. ILP III Ventures XVIII Pte. Ltd, has set up an industrial and logistics park on a land admeasuring approximately 54.74 acres at Bilaspur Pataudi Road, Delhi-Jaipur Highway, Village Luhari, Tehsil and District Jhajjar, Haryana. The project has a total leasable area of around 1.38 msf spread across four warehouse units. The project achieved the DCCO on March 31, 2025.

Key financial indicators (Audited)

	FY2024	FY2025
Operating income	12.9	15.5
PAT	-16.9	-12.1
OPBDIT/OI	84.8%	60.8%
PAT/OI	-131.0%	-78.5%
Total outside liabilities/Tangible net worth (times)	4.9	7.0
Total debt/OPBDIT (times)	20.8	29.8
Interest coverage (times)	0.8	0.3

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

Instrument	Current year (FY2026)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Oct 29, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	153.70	[ICRA]BBB+ (Positive)	-	-	Jul 31, 2024	[ICRA]BBB+ (Stable)	May 12, 2023	[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 loans	Sep 18, 2025	-	FY2037	153.70	[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

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