January 29, 2026

INDOSPACE LUHARI 3E PRIVATE LIMITED.: [ICRA]A-(Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Lease Rental Discounting-Term Loan	205.00	[ICRA]A- (Stable); Assigned
Total	**205.00**	

**Instrument details are provided in Annexure I*

Rationale

The rating assigned to Indospace Luhari 3E Private Limited (IL3PL) factors in the favourable location of the warehousing asset, established track record of its sponsors in developing and leasing warehousing assets, and its comfortable debt protection indicators. IL3PL is developing an industrial and warehousing logistics facility at Luhari in Haryana. The Luhari micro-market is a key hub for logistics and third-party logistics (3PL) players and a prominent location for warehousing. The project is nearing completion with 83% of total cost incurred as of March 2025 and the rest likely to be completed by Q4 FY2026. Further, the asset has healthy occupancy rate of 85% (as of November 2025). The total project cost is estimated at Rs. 397 crore, which was funded by a mix of debt and equity in the ratio of 1.13:1. Based on current leasing, the debt protection metrics are likely to be comfortable with leverage as indicated by Total external Debt/Annualised net operating income (NOI) at 5.25-5.30 times as of March 2026 and 5-year average DSCR of 1.35-1.40 times estimated for FY2026-FY2030[1]. Further, the ratings also consider the favourable sponsor profile, along with the established track record of the IndoSpace Group in the industrial warehousing and logistics space in India. ICRA notes the exceptional financial flexibility of IndoSpace and its track record of honouring the sponsor's undertakings to lenders by infusing funds into various special purpose vehicles (SPVs), whenever needed.

The rating is, however, constrained by the geographical and asset concentration risks inherent in a single project portfolio. The asset is also exposed to tenant concentration risks with a single tenant occupying 40% of the leasable area. The weighted average balance lease expiry period is around 2.3 years compared to the weighted average debt maturity of about 10 years. Any significant vacancy for a prolonged period will adversely impact the company's cash flows and debt coverage indicators and, thus, timely renewal of leases will be a key monitorable. The vacancy risk, however, is mitigated to some extent by the large portfolio of the IndoSpace Group across locations and its established relationships with reputed tenants.

The Stable outlook reflects ICRA's opinion that the company will benefit from healthy occupancy rates at adequate rentals, leading to comfortable debt protection metrics.

Key rating drivers and their description

Credit strengths

Established track record and strong business profile of sponsor – IL3PL is promoted by ILP III Ventures V Pte. Ltd. and ILP III Ventures VIII Pte. Ltd., both are part of the IndoSpace network. IndoSpace is sponsored by Realterm Global, Everstone Capital and GLP Global. Realterm Global has more than 30 years of experience in developing industrial and logistics parks. At present, it manages assets worth over $13 billion and operates some of the largest 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 $8 billion in private equity and real estate. GLP Global is an investment firm, managing multiple asset classes, including real estate,

[1] *adjusted for refinancing of construction finance debt*

private equity and infrastructure. It has over $80 billion assets under management (AUM) across the real estate and private equity spaces.

Favourable project location – The project is located in the Luhari–Bilaspur–Pataudi industrial belt of Jhajjar district, Haryana. The park lies along the Bilaspur–Pataudi Road (MDR 132), offering seamless access to major arterial routes including National Highway 48 (NH-48; or the Delhi–Mumbai Highway) and NH-352 (erstwhile NH-71), thereby ensuring efficient connectivity to Gurugram, Delhi, and key consumption centres across the region, thus enhancing the project marketability.

Comfortable leverage and debt coverage metrics – The total project cost is estimated at Rs. 397 crore, which was funded by a mix of debt and equity in the ratio of 1.13:1. For construction finance, the company had raised funds via non-convertible debentures (NCDs), which were partly refinanced via a Lease Rental Discounting (LRD) loan in FY2026 while the remaining will be refinanced in FY2027. Based on current leasing, the leverage is likely to be comfortable with Total external debt/Annualised NOI of 5.25-5.30 times, expected as of March 2026, and debt coverage metrics to remain comfortable with a 5-year average DSCR estimated at 1.35-1.40 during FY2026-FY2030. The company also has a debt service reserve account (DSRA) of ~Rs. 8.8 crore as of March 2025.

Credit challenges

Exposure to tenant concentration and lease renewal risks – The asset is exposed to tenant concentration risks with a single tenant occupying 40% of the leasable area. However, adequate tenant profile and competitive rentals mitigate the risk to some extent. The asset faces lease renewal risk as the weighted average lease expiry is about 2.3 years, which is significantly lower than its weighted average debt maturity of around 10 years. Thus, timely renewal of leases will be a key monitorable.

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

Vulnerability to changes in occupancy and interest rates – Any significant vacancy for a prolonged period will adversely impact the company's cash flows and debt coverage indicators. The company also remains exposed to any movements in interest rates, given the steady rental revenues.

Liquidity position: Adequate

The company's liquidity position is adequate. As of March 2025, it had free cash and liquid investments of Rs. 13.7 crore. Moreover, the company has an undrawn LRD loan of about Rs. 41 crore as of December 2025. The pending construction cost will be funded through a mix of undrawn term loan and internal accruals. ICRA draws comfort from the track record of timely infusion of funds by the sponsor into various SPVs, whenever needed.

Rating sensitivities

Positive factors – The rating may be upgraded in case of an improvement in occupancy and increase in rental income, while sustaining adequate leverage and comfortable debt coverage metrics.

Negative factors – The rating may be downgraded in case of material vacancy or increase in indebtedness leading to weakening of debt protection metrics on a sustained basis. Specific trigger for rating downgrade will be 5-year average DSCR of less than 1.2 times on a sustained basis.

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

Indospace Luhari 3E Private Limited was incorporated on August 27, 2018. The company is developing an industrial and logistics/warehousing facility at Jhajjar district in Haryana. The park has a built-up area of 1.42 million sq. ft. (msf) with a total leasable area of 1.58 msf, of which the company has leased 85% as of November 2025.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	35.9	28.8
PAT	-1.4	-6.7
OPBDIT/OI	80.8%	75.7%
PAT/OI	-3.8%	-23.2%
Total outside liabilities/Tangible net worth (times)	3.0	3.7
Total debt/OPBDIT (times)	7.4	11.2
Interest coverage (times)	1.5	1.0

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 (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs crore)	Jan 29, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based-Lease rental discounting (LRD)	Long Term	205.00	[ICRA]A- (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term - Fund-based-Lease rental discounting (LRD)	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	**Long Term - Fund-based- Lease rental discounting (LRD)**	FY2026	NA	FY2036	205.00	[ICRA]A- (Stable)

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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