March 30, 2026

Rathik Industrial & Logistics Park 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 - Lease rental discounting (LRD)	81.45	100.00	[ICRA]A-(Stable); reaffirmed and assigned for enhanced amount
Total	**81.45**	**100.00**	

**Instrument details are provided in Annexure-I*

Rationale

The rating action for Rathik Industrial & Logistics Park Private Limited (RILPPL) factors in the healthy improvement in occupancy levels to 91% as on date at adequate rental rates and comfortable debt coverage metrics. RILPPL is developing an industrial and logistics park in Kunnam village, Kanchipuram district, Sriperumbudur, Chennai, with a total leasable area of 0.53 msf (increased from 0.49 msf in March 2025), spread across five blocks (increased from 4 blocks). The project is nearing completion with 91% of area constructed and leased, while the balance area is to be completed by March 2026. The budgeted project cost of ~Rs. 139.0 crore is funded by a debt-to-equity ratio of 1.22:1. Based on the current leasing, the leverage is likely to remain adequate with total external debt/annualised NOI of 5.9-6.0 times as of March 2026 and 5.3-5.4 times as of March 2027. The debt coverage indicators are expected to remain comfortable with 5-year average DSCR of 1.30-1.35 times during FY2026-2030. The rating favourably considers the project location with good connectivity to the Oragadam cluster and other adjacent industrial as well as warehousing hubs. Further, ICRA derives comfort from the exceptional financial flexibility of the IndoSpace network[1] (IndoSpace) and its track record of honouring sponsor undertakings to lenders and infusion of funds into various special purpose vehicles, whenever needed. The rating notes the strong business profile of the IndoSpace network with an established track record in the industrial, warehousing and logistics park business in India.

The ratings are, however, constrained by the project's exposure 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. The weighted average balance lease expiry period is ~5.1 years compared to the weighted average debt maturity of around 12.9 years. Thus, any significant vacancy for a prolonged period will adversely impact the company's cash flows and debt coverage indicators. These risks, however, are mitigated to some extent by the large portfolio of the IndoSpace network across geographies and its established relationship with reputed tenants. The debt coverage ratios remain vulnerable to changes in interest rates.

The Stable outlook reflects ICRA's opinion that the company will benefit from the healthy occupancy levels with sufficient rentals, leading to adequate leverage and comfortable debt coverage metrics.

Key rating drivers and their description

Credit strengths

Favourable project location with healthy occupancy levels – The project is located in Kunnam village, Kanchipuram district, Sriperumbudur, Chennai, with a total leasable area of 0.53 msf, spread across five warehouse units. The site is situated approx. 12 km from Walajabad Railway Station. The park is well connected to Chennai CBD, Chennai Airport, Chennai Port, which are situated at a distance of approx. 53 km, 45 km and 56 km, respectively. Also, it has good connectivity to the Oragadam cluster and other adjacent industrial as well as warehousing hubs, thus, resulting in healthy occupancy levels.

[1] *ILP III Ventures XVII Pte Ltd, Singapore (a part of the IndoSpace network, which is sponsored by Realterm Global, Everstone Capital and GLP Global)*

Comfortable debt coverage metrics – The budgeted project cost was funded by a mix of construction finance (CF) loan and equity contribution. As on February 2026, the CF loan has been refinanced with a lease rental discounting (LRD) debt, with a top-up of ~Rs. 24 crore with a long tenure of 12 years. Based on the current leasing, the leverage is likely to be comfortable with Total external debt/Annualised NOI of 5.9-6.0 times, as of March 2026. The debt coverage metrics are anticipated to remain comfortable with 5-year average DSCR estimated at 1.30-1.35 during FY2026-2030. The rated LRD facility requires maintaining a DSRA equivalent to two months of interest repayment obligation during the entire loan tenure.

Established track record and strong business profile of sponsor – Rathik Industrial & Logistics Park Private Limited is promoted by ILP III Ventures XVII Pte Ltd. (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 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 $8 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 $80 billion assets under management (AUM) across the real estate and private equity segments.

Credit challenges

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.

Vulnerability to changes in occupancy and interest rate – The weighted average balance lease expiry period is ~5.1 years compared to the weighted average debt maturity of around 12.9 years. Thus, any significant vacancy for a prolonged period will adversely impact the company's cash flows and debt coverage indicators. These risks, however, are mitigated to some extent by the large portfolio of the IndoSpace network across geographies and its established relationship with reputed tenants. The debt coverage ratios remain vulnerable to changes in interest rates.

Liquidity position: Adequate

The company's liquidity position is adequate with free cash and liquid investments of around Rs. 2.0 crore as of December 2025. The liquidity is further supported by undrawn LRD loan of ~Rs. 15 crore as of February 2026 against pending construction cost of ~Rs. 2-3 crore. The cash flow from operations will be adequate to fund the debt serving requirements in FY2026 and FY2027.

Rating sensitivities

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

Negative factors – The rating may be downgraded in case of any material vacancy or increase in indebtedness, thus weakening the debt protection metrics on a sustained basis. Specific metric that could result in a rating downgrade would be five-year average DSCR less than 1.20 times, on a prolonged basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Realty - Lease Rental Discounting (LRD) Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

About the company

Rathik Industrial & Logistics Park Private Limited is developing an industrial and logistic park located in Kunnam village on SH-120, Kanchipuram district, Sriperumbudur, Chennai. The project is being developed on a land parcel admeasuring 24.5 acres, with a total leasable area of 0.53 msf. The asset is 91% occupied as on date. The project achieved date of commencement of commercial operations (DCCO) in June 2025.

Key financial indicators (audited)

Rathik Industrial & Logistics Park Private Limited (Standalone)	FY2024	FY2025
Operating income	6.0	10.2
PAT	-1.7	-6.1
OPBDITA/OI	70.8%	43.4%
PAT/OI	-28.4%	-60.2%
Total outside liabilities/tangible net worth (times)	4.6	7.9
Total debt/OPBDITA (times)	21.0	25.0
Interest coverage (times)	0.9	0.6

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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)	Mar 30, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based-Lease rental discounting (LRD)	Long Term	100.00	[ICRA]A- (Stable)	Feb 24, 2026	[ICRA]A- (Stable)	-	-	-	-	-	-
Fund-based-Term loan	Long Term			-	-	Mar 13, 2025	[ICRA]BBB+ (Positive)	Mar 21, 2024	[ICRA]BBB+ (Positive)	Jan 04, 2023	[ICRA]BBB+ (Stable)
Non-fund based-Bank guarantee	Short Term			Feb 24, 2026	[ICRA]A2+; withdrawn	Mar 13, 2025	[ICRA]A2	Mar 21, 2024	[ICRA]A2	Jan 04, 2023	[ICRA]A2
Interchangeable limits-Letter of credit	Short Term			Feb 24, 2026	[ICRA]A2+; withdrawn	Mar 13, 2025	[ICRA]A2	Mar 21, 2024	[ICRA]A2	Jan 04, 2023	[ICRA]A2

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 / sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	**LRD**	FY2026	NA	FY2039	100.00	[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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