

April 06, 2026

ILP 3 India 13 Pvt. Ltd.: Long term Rating reaffirmed and outlook revised to Positive; rated amount enhanced and short-term Rating withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based - Term loans	240.00	0.00	-
Long-term – Fund-based – LRD	0.0	330.00	[ICRA]BBB+ (Positive): reaffirmed; outlook changed to Positive from Stable and assigned for enhanced amount
Short-term – Non-fund based – Letter of credit#	(10.00)	0.0	[ICRA]A2; reaffirmed and withdrawn
Short-term – Non-fund based – Bank guarantee	10.00	0.0	[ICRA]A2; reaffirmed and withdrawn
Total	250.00	330.00	

*Instrument details are provided in Annexure I; # Letter of Credit (LC) is a sub limit of Term Loans

Rationale

The reaffirmation of ratings with revision in outlook for ILP 3 India 13 Private Limited factors in the healthy improvement in occupancy levels to 100% (including signed LOIs), enhancing the cash flow visibility and the expected improvement in debt protection metrics. The company has developed an industrial and logistical park on 68 acres of land, with a leasable area of ~1.6 msf, spread across four units in Oragadam micromarket. The favourable location has supported in the increase in occupancy to 100% (including LOIs) as of March 2026 from 73% as of March 2025. Rentals commenced for 80% of the leasable area as of March 2026. Full rentals are expected to start from June 2026, resulting in a likely improvement in debt protection metrics with five-year DSCR estimated in the range of 1.22-1.25 times FY2027-2031 (1.12-1.15 times projected during FY2026-2030), despite a top-up debt of Rs. 90 crore. Based on the current leasing, the leverage remains adequate with total external debt/ Annualised NOI of 5.6-5.8 times as of March 2026 and March 2027. The ratings draw comfort from the exceptional financial flexibility of the IndoSpace network (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 geographical and asset concentration risks inherent in a single project portfolio. The asset is exposed to tenant concentration risks with a single tenant occupying 48% of the leasable area. The weighted average balance lease expiry period is ~2.5 years compared to the weighted average debt maturity of around 13 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 has withdrawn the short-term rating assigned to the bank facilities of ILP 3 India 13 Pvt. Ltd. based on the No Dues Certificate (NDC) received from its banker, and in accordance with ICRA's policy on withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Strong track record and business profile of sponsors – ILP 3 India 13 Private Limited is a wholly-owned subsidiary of ILP III Ventures XXI Pte. Ltd (a 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 across the world. At present, it manages assets worth over USD 7 billion. It operates some of the largest and most modern facilities in North America and other parts of the world. Everstone Capital is a prominent India-focussed investment firm, and the Everstone Group manages funds of over USD 5 billion in private equity and real estate. GLP Global is an investment firm, with over USD 100 billion assets under management across multiple asset classes including real estate, private equity segments and infrastructure.

Favourable project location – The project is in Ullavur, Kanchipuram District, Oragadam, Chennai. The site is 4.4 km from the state highway (SH-48, i.e., Oragadam – Walajabad Highway) and 0.83 km from Ezhichur-Palur Road, with good connectivity to the Oragadam cluster and other adjacent industrial as well as warehousing hubs, leading to healthy occupancy levels. The major target segments for the project are auto ancillary, electronics manufacturing/assembling, other light engineering companies, FMCG and third-party logistics (3PL) and e-commerce industry.

Healthy occupancy levels and comfortable debt protection metrics – The occupancy levels significantly improved with leasing of 100% (including LOI) as of March 2026 from 73% (including LOIs) as of March 2025. Based on these, the leverage is estimated to remain adequate with Total external debt/annualised NOI of 5.6-5.8 times as of March 2026 and March 2027. The debt coverage indicators measured by five-year average DSCR is likely to improve to 1.22-1.25 times for FY2027-2031 (1.12-1.15 times during FY2026-2030) with commencement of full rentals and stabilisation of the same.

Credit challenges

Exposure to tenant concentration and lease renewal risks – The asset is exposed to tenant concentration risk with a single tenant occupying 48% of the leasable area. However, adequate tenant profile and competitive rentals mitigate the risk to some extent. The asset also faces lease renewal risk as lock in for ~24% leases are getting expired in FY2027. Thus, timely renewal of leases will be a key monitorable.

Vulnerability to changes in occupancy and interest rates – The weighted average balance lease expiry period is ~2.5 years compared to the weighted average debt maturity of around 13 years. Any significant vacancy for a prolonged period will adversely impact the company's cash flows and debt coverage indicators. It remains exposed to any movements in 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. However, ICRA draws comfort from IndoSpace's diverse portfolio of logistics and industrial parks, including developed and under-development parks, across India.

Liquidity position: Adequate

The company's liquidity position is adequate with unencumbered cash and liquid investments of Rs. 8.1 crore. It has debt repayment obligations of Rs. 13.7 crore in FY2027, which can be adequately met from the cash flow from operations.

Rating sensitivities

Positive factors – The ratings may be upgraded in case of a significant increase in rental income, while sustaining healthy occupancy levels, leading to an improvement in the debt coverage metrics. Specific trigger for a rating upgrade will be five-year average DSCR of more than 1.2 times on a sustained basis.

Negative factors – The ratings may be downgraded in case of any material vacancy or increase in indebtedness weakening the debt protection metrics on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD) Policy On Withdrawal Of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

ILP 3 India 13 Pvt. Ltd. (100% subsidiary of M/s. ILP III Ventures XXI Pte. Ltd., Singapore) is developing an industrial park at Ullavur, Kanchipuram district, Oragadam, Chennai, on a parcel of land admeasuring about 68 acres held by ILP 3 India 13 Pvt. Ltd (29 acres), ILP 3 India 11 Pvt. Ltd. (22.8 acres) and ILP 3 India 12 Pvt. Ltd. (16.89 acres). The project comprises five warehouses with a leasable area of 1.63 msf. The asset is fully leased (including LOIs) as of March 2026.

Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income	8.2	22.1
PAT	-10.5	-7.3
OPBDIT/OI	27.1%	62.6%
PAT/OI	-127.7%	-33.1%
Total outside liabilities/Tangible net worth (times)	3.9	6.5
Total debt/OPBDIT (times)	111.1	26.5
Interest coverage (times)	0.2	0.7

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 (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	April 06, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Short-term-Bank guarantee - Non-fund based	Short Term	10.00	[ICRA]A2: Reaffirmed and withdrawn	-	-	25-MAR-2025	[ICRA]A2	20-DEC-2023	[ICRA]A2
Short-term-Letter of credit-Interchangeable	Short Term	(10.00)	[ICRA]A2: Reaffirmed and withdrawn	-	-	25-MAR-2025	[ICRA]A2	20-DEC-2023	[ICRA]A2
Long-term-Fund-based-Term loan-	Long Term	0.00	-	-	-	25-MAR-2025	[ICRA]BBB+ (Stable)	20-DEC-2023	[ICRA]BBB+ (Stable)
Long-term-Fund-based-LRD	Long Term	330.00	[ICRA]BBB+ (Positive)	-	-				

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – LRD	Simple
Letter of credit	Simple
Bank guarantee	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	LRD	FY2026	-	FY2039	330.00	[ICRA]BBB+ (Positive)
NA	Letter of credit*	-	-	-	(10.00)	[ICRA]A2: Reaffirmed and withdrawn
NA	Bank guarantee	-	-	-	10.00	[ICRA]A2: Reaffirmed and withdrawn

Source: Company data, ICRA Research * Letter of Credit (LC) is a sub limit of Term Loans

[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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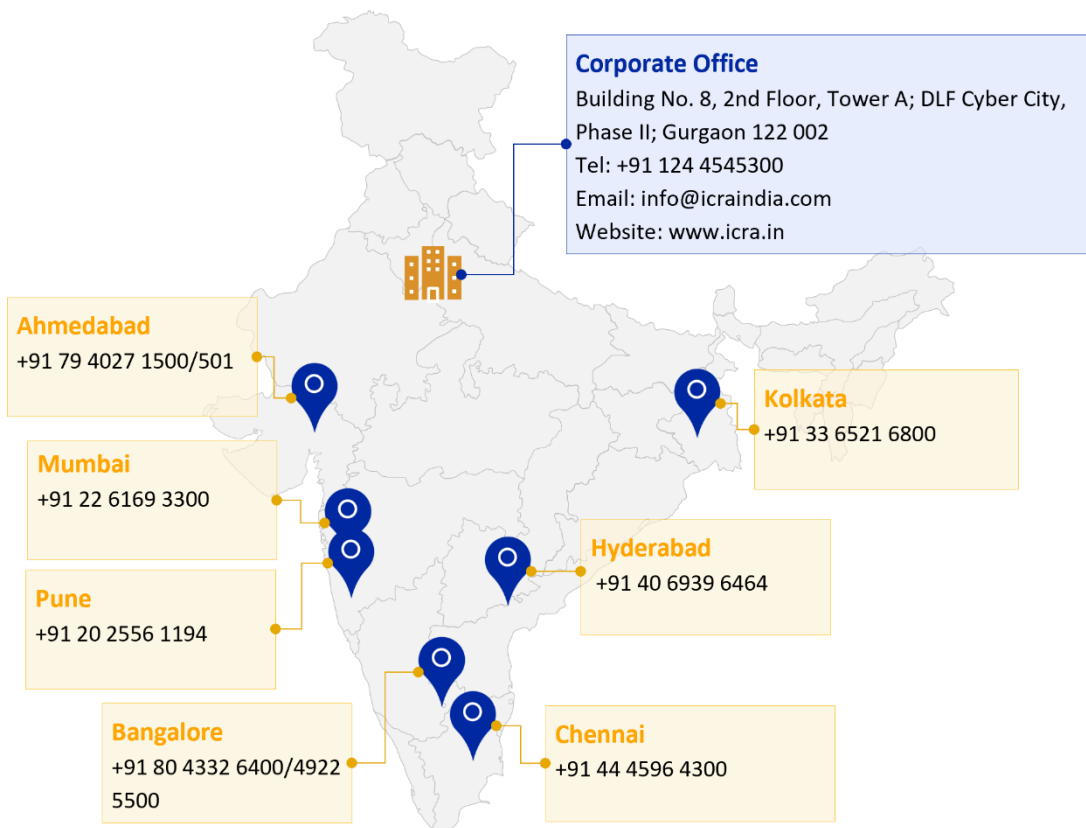
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