

April 21, 2026

Karanje Emerald Logistics Park Private Limited: Long-term rating reaffirmed and outlook revised to Positive from Stable; short-term rating reaffirmed and withdrawn

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|---|-----------------------------------|----------------------------------|---|
| Long-term – Fund-based – Term loan | 175.75 | 170.00 | [ICRA]A- (Positive); reaffirmed and outlook revised to Positive from Stable |
| Short-term – Non-fund based – Letter of credit [^] | (100.00) | 0.00 | [ICRA]A2+; reaffirmed and withdrawn |
| Total | 175.75 | 170.00 | |

*Instrument details are provided in Annexure II; [^]Sublimit of term loan

Rationale

The rating reaffirmation and change in outlook to Positive for Karanje Emerald Logistics Park Private Limited (KELPPL) factors in the healthy committed occupancy of 82% as of March 2026 with rental commencement for 68% of the total leasable area (rentals for the remaining 14% of the total leasable area commence in H2 FY2027), and adequate leasing pipeline for 0.2 million square feet (msf) under-construction area. KELPPL is developing a warehousing park in Karanja Vihire, Khed Taluka, Pune with a total leasable area of 1.1 msf (increased from previous area of 0.9 msf). Consequently, the budgeted project cost has increased by 6% to Rs. 373.8 crore. In September 2025, KELPPL refinanced its outstanding debt and availed a top-up construction finance (CF) debt for additional area. Despite additional indebtedness, the debt protection metrics are estimated to be adequate and are likely to sustain in the medium term on the back of elongated loan tenor, reduced interest rates and increased leasable area.

Further, KELPPL is owned by CapitaLand Group, a Temasek Holdings (Private) Limited linked entity¹, which has an established track record in the industrial warehousing and office segment in India, providing exceptional financial flexibility. The rating continues to draw comfort from the favourable location of the warehousing park in the Talegaon cluster with good connectivity to Pune and other adjacent industrial as well as warehousing hubs.

The rating is, however, constrained by the project's exposure to moderate execution and market risks as 17% of the revised budgeted project cost was yet to be incurred as of February 2026 with nil pre-leasing for the under-construction blocks. Nevertheless, ICRA draws comfort from the extensive experience of the sponsor in executing and leasing warehousing space and office. The company faces high tenant concentration risk with three tenants accounting for 100% of the rental income. Nonetheless, the lock-in period for three years and strong tenant profile mitigates the counterparty credit risk to an extent. The company is exposed to high geographical and asset concentration risks inherent in single-project companies.

ICRA has withdrawn the rating assigned to the letter of credit facility as the said facility is closed and is based on request from the company and is in accordance with ICRA's policy on withdrawal of ratings.

¹Temasek Holding (Private) Limited, which is 100% owned by Government of Singapore through Minister of Finance, has deemed interest of 53% in CapitaLand Investments Limited. CapitaLand Investments Limited is the ultimate holding company of KELPPL.

Key rating drivers and their description

Credit strengths

Favourable project location and healthy leasing levels – The warehousing park is in Karanja Vihire village, in Khed Taluka, district Pune, which is an established location for industrial and logistics parks. The site is approx. 5-7 km from Chakan Maharashtra Industrial Development Corporation (MIDC) and Talegaon MIDC and around 17 to 18 km from the Pune Mumbai Expressway. The location is in proximity to Chakan, one of the major industrial hubs for automobiles, engineering, electrical and food processing, which has witnessed strong warehousing development. The warehousing park has a total leasable area of 1.1 msf (increased from the previous area of 0.9 msf) with healthy committed occupancy of 82% as of March 2026, wherein rentals have commenced for 68% of the total leasable area (rentals for the remaining 14% of the total leasable area commence in H2 FY2027), and adequate leasing pipeline for 0.2 msf under-construction area. The budgeted project cost went up by 6% to Rs. 373.8 crore. In September 2025, KELPPL refinanced its outstanding debt and availed a top-up CF debt for additional area. Despite the additional indebtedness, the debt protection metrics are estimated to be adequate and are likely to sustain in the medium term on the back of elongated loan tenor, reduced interest rates and increased leasable area.

Established track record and strong sponsor profile lends exceptional financial flexibility – KELPPL is owned by Ascendas India Logistics Fund, sponsored by the CapitaLand Group. CapitaLand Limited is one of the largest diversified real estate groups in Asia, with presence across more than 270 cities in over 45 countries. In India, the Group has an operational track record of over 25 years. The Group, through Ascendas-Firstspace (a CapitaLand joint venture) and its various special purpose vehicles, owns and operates a network of warehousing assets across Bengaluru, Chennai, the National Capital Region, Kolkata, Pune, and Mumbai. It has developed and leased 10 msf of area till date.

Credit challenges

Exposure to moderate market and execution risks – The project is exposed to moderate execution and market risks as 17% of the revised budgeted project cost was yet to be incurred as of February 2026 with nil pre-leasing for the under-construction blocks. Nevertheless, ICRA draws comfort from the extensive experience of the sponsor in executing and leasing warehousing space and office.

Exposure to high tenant and asset concentration risks – The company faces high tenant concentration risk with three tenants accounting for 100% of the rental income. Nonetheless, the lock-in period for three years and strong tenant profile mitigates the counterparty credit risk to an extent. Further, it is exposed to high geographical and asset concentration risks inherent in single project companies. However, ICRA draws comfort from CapitaLand's diverse portfolio of logistics and industrial parks, including developed and under-development parks, across India.

Liquidity position: Adequate

KELPPL's liquidity position is adequate. As on March 2026, the company has free cash balance of Rs. 2.4 crore. The cash flow from operations and undrawn debt of Rs. 50 crore are expected to be adequate to fund the pending project cost. The principal repayments for the outstanding LRD loans start from H2 FY2028 and can be serviced comfortably through its estimated cash flow from operations.

Rating sensitivities

Positive factors – The rating may be upgraded in case of timely commencement of rentals in full capacity, along with an improvement in leverage and coverage indicators. Specific credit metrics that could result in a rating upgrade would be five-year average DSCR of greater than 1.3 times on a sustained basis.

Negative factors – The outlook can be revised to Stable if there is a significant delay in leasing of under-construction area or material increase in indebtedness leading to weakening of 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

KELPPL is developing a warehousing park on a land parcel admeasuring about 45.4 acres located, at Karanja Vihire village, in Khed Taluka, district Pune. The said land parcel will have five blocks with a total leasable area of 1.1 msf. CIL2 Logistics 2 Pte Ltd, Singapore, through CapitaLand Group and Temasek, owns 99.7% stake and Firstspace Realty LLP owns 0.3% in KELPPL.

Key financial indicators

Not meaningful till FY2025 as the rentals for the company commenced in FY2026.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Instruments | Type | Current (FY2027) | | Chronology of rating history for the past 3 years | | | | | |
|--|------------|--------------------------|----------------------|---|--------|--------------|-------------------|--------------|-------------------|
| | | Amount rated (Rs. crore) | Apr 21, 2026 | FY2026 | | FY2025 | | FY2024 | |
| | | | | Date | Rating | Date | Rating | Date | Rating |
| Fund-based – Term loan | Long-term | 170.00 | [ICRA]A- (Positive) | - | - | Mar 27, 2025 | [ICRA]A- (Stable) | Jan 30, 2024 | [ICRA]A- (Stable) |
| Non-fund based – Letter of credit[^] | Short-term | (100.00) | [ICRA]A2+; withdrawn | - | - | Mar 27, 2025 | [ICRA]A2+ | Jan 30, 2024 | [ICRA]A2+ |

[^]sublimit of term loan

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Instrument | FSR |
|--|------|
| Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities) | SEBI |
| Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | SEBI |
| Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | SEBI |
| Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | RBI |
| Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) | RBI |
| External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings | RBI |
| Certificates of Deposit | RBI |
| Fixed Deposits raised by NBFCs, Banks, HFCs, FIs | RBI |

| Instrument | FSR |
|--|--|
| Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| Inter Corporate Deposits/Loans extended by Corporates | MCA |
| Listed Security Receipts | SEBI |
| Unlisted Security Receipts | RBI |
| Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | Investor-side Regulator such as IRDAI, PFRDA (%) |

(*): Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$): Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%): These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Activity Name | FSR |
|--|------|
| Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| Independent Credit Evaluation (ICE) | RBI |
| Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs) | RBI |
| Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities)) | SEBI |
| Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities)) | MCA |
| Credit Rating of Borrowing programme | (@) |
| Issuer Ratings | (#) |
| Monitoring Agency | SEBI |
| Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs) | NA |

(@): The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#): Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|---|----------------------|
| Long-term – Fund-based – Term loan | Simple |
| Short-term – Non-fund based – Letter of credit [^] | 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 II: Instrument details

| ISIN | Instrument name | Date of issuance | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook |
|------|-------------------------------|------------------|-------------|----------------|--------------------------|----------------------------|
| NA | Term loan | September 2025 | NA | September 2040 | 170.00 | [ICRA]A- (Positive) |
| NA | Letter of credit [^] | NA | NA | NA | (100.00) | [ICRA]A2+; withdrawn |

Source: Company; [^] Sublimit of term loan

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis: Not applicable

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