

May 06, 2026

Shri Varadaraja Industrial and Logistics Park Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund based – Term loan	235.00	235.00	[ICRA]BBB (Stable); reaffirmed
Total	235.00	235.00	

*Instrument details are provided in Annexure II

Rationale

While assigning the rating, ICRA has taken a consolidated view of Shri Kamakshi Logicity Private Limited (SKLPL) and Shri Varadaraja Industrial and Logistics Park Private Limited (SVILPPL), given the common management and close business linkages, along with cash flow fungibility among the entities. The land parcel on which the industrial and logistics park (project) is being developed is 52 acres, out of which SKLPL holds ~18 acres and SVILPPL holds ~34 acres and the project is branded as a single project - One Alpha Industrial and Logistics Park.

The rating reaffirmation factors in the favourable location of the asset in the Oragadam cluster, supported by good connectivity to Chennai and other adjacent industrial and warehousing hubs, which along with the established track record of Morgan Stanley Real Estate Investing (MSREI) and Sree Kailas (SK Group) in the warehousing sector is expected to enhance the marketability of the project. SKLPL and SVILPPL, entities sponsored by MSREI's North Haven Real Estate Fund G10 (MSREI's G10) and the SK Group are jointly developing an industrial and logistics park at Walajabad, Oragadam, Chennai, with a total leasable area of 1.1 million square feet (msf), spread across eight blocks. As of March 2026, MSREI has an industrial portfolio of 7.3 msf (completed 5.5 msf and under-construction 1.8 msf), out of which it has exited from the entire 5.5-msf completed portfolio. The budgeted cost of the project stands at Rs. 450.0 crore, which is estimated to be funded by a debt-to-equity ratio of 1.6:1. The funding risk for the project remains low as the entire debt requirement has been tied up and committed promoter contribution has been fully infused as on March 31, 2026.

The rating is, however, constrained by the project's exposure to execution risk with 51% of the budgeted cost incurred as of March 2026. Nonetheless, the construction is expected to be completed in a phased manner (block-wise) within the scheduled date of commencement of commercial operations (DCCO) of November 2027 for SKLPL and October 2028 for SVILPPL. Considering the track record of MSREI, ICRA expects the project to be completed within the scheduled DCCO. The company is exposed to market risk as there are no pre-leasing tie-ups as on date. Hence, its ability to achieve leasing on time and at adequate rental rates will be the key rating monitorable. However, ICRA derives comfort from the demonstrated track record of MSREI in achieving healthy leasing in its other parks with reputed counterparties.

The leverage, measured by external debt/net operating income (NOI), is expected to be high as of March 2029. The construction finance (CF) loan availed for the project has a bullet repayment falling due for Rs. 65-crore loan in May 2029 availed in SKLPL and for Rs. 235-crore loan in April 2030 availed in SVILPPL, indicating the refinancing risk. Nevertheless, there is adequate timeline for completion and leasing. Any significant delays in achieving lease tie-ups at adequate rentals may impact the company's refinancing ability. The company is also exposed to high geographical and asset concentration risks inherent in a single-project portfolio.

The Stable outlook reflects ICRA's opinion that the company will benefit from the established track record of its sponsor, MSREI and the SK Group, in the industrial and warehousing space, which is expected to enable it to complete the project without any material time and cost overruns and secure lease tie-ups at adequate rental rates.

Key rating drivers and their description

Credit strengths

Favourable project location – The project is a part of the Oragadam micromarket and is in Walajabad, Kanchipuram district, off state highway SH-48 (also known as Oragadam-Walajabad Highway) and SH-120. The industrial areas of Oragadam, Vallam and Sriperumbudur are located at distances of about 14 km, 25 km and 22 km, respectively, from the project location, leading to healthy demand in the region.

Low funding risk – The project's funding risk is low as the entire debt requirement has been tied up and committed promoter contribution has been fully infused as on March 31, 2026.

Part of warehousing fund with established track record of sponsor in managing industrial assets – SKLPL and SVILPPL are promoted by MSREI's G10 and the SK Group. G10 is an investment fund managed by MSREI, which is the global private real estate management arm of Morgan Stanley. As of March 2026, MSREI has an industrial portfolio of 7.3 msf (completed 5.5 msf and under-construction 1.8 msf), out of which it has exited from the entire 5.5-msf completed portfolio. The SK Group is a Chennai-based conglomerate having diverse interests across the paper segment, logistics parks as well as construction and infrastructure activities. The SK Group has developed close to 3 msf of Grade-A industrial and logistics parks and partnered with Indospace for 2.4 msf in three projects.

Credit challenges

Exposure to project execution and market risks – The project is at an intermediate stage, with 51% of the budgeted cost incurred as of March 2026. Nonetheless, the construction is expected to be completed in a phased manner (block-wise) within the scheduled DCCO of November 2027 for SKLPL and October 2028 for SVILPPL, considering the track record of MSREI. The company is exposed to market risks as there are no pre-leasing tie-ups as on date. Hence, its ability to achieve leasing on time and at adequate rental rates will be the key rating monitorable factor. However, ICRA derives comfort from the demonstrated track record of MSREI in achieving healthy leasing in its other parks with reputed counterparties.

High project leverage and refinancing risk – The budgeted cost of the project stands at Rs. 450.0 crore, which is estimated to be funded by a debt-to-equity ratio of 1.6:1. The leverage (external debt/ NOI) is expected to be high as of March 2029. The CF loan availed for the project has a bullet repayment falling due for the Rs. 65-crore loan in May 2029 availed in SKLPL and for Rs. 235-crore loan in April 2030 availed in SVILPPL, indicating the refinancing risk. However, there is adequate timeline for completion and leasing. Any significant delays in achieving lease tie-ups at adequate rentals may impact the company's refinancing ability.

Geographical and asset concentration risks – The company is exposed to high geographical and asset concentration risks inherent in a single-project portfolio.

Liquidity position: Adequate

The company's liquidity position is Adequate with Rs. 16.5 crore of cash and liquid investments and Rs. 210.0 crore of undrawn term loan, as on March 31, 2026. These, along with the security deposits and internal accruals, are expected to be adequate to fund the pending project cost of Rs. 222.5 crore as on March 31, 2026. The CF loan has a bullet repayment falling due in

May 2029 for Rs. 65-crore loan and April 2030 for Rs. 235-crore loan. The company is expected to refinance the same through a lease rental discounting (LRD) loan.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company achieves significant progress in leasing at adequate rental rates, along with timely completion of project without any major cost overruns and mitigation of refinancing risk associated with the CF loan.

Negative factors – Cost overrun or unforeseen delay in completing the project could exert pressure on the company’s ratings. Considerable delays in lease tie-up at adequate rental rates impacting its refinancing ability or any significant increase in indebtedness impacting the debt protection metrics may also warrant a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has taken a consolidated view of SKLPL and SVILPPL, given the common management and high degree of business linkages which shall result in cashflow fungibility among the entities.

About the company

Shri Varadaraja Industrial and Logistics Park Private Limited (SVILPPL) was incorporated on June 29, 2024. SVILPPL is a special purpose vehicle owned (on a fully diluted basis) by G10 Asia 5 Pte Ltd (G10) and SK Group. G10, an affiliate entity of MSREI has infused optionally convertible debentures, which equate to 90% stake (on a fully diluted basis) in SVILPPL. The SK Group will hold the remaining 10% stake (on a fully diluted basis) through Mr. Visakh Rajkumar (0.005%), Mr. S Rajkumar (0.005%) and Shri Ekambarnath Industrial and Logistics Parks Private Limited (EIL, an SK Group entity) (9.99%). SVILPPL is developing a Grade-A warehousing project, One Alpha Industrial and Logistics Park, on ~34.21-acre land located at Oragadam, Kanchipuram district, Tamil Nadu.

SKLPL and SVILPPL are jointly developing a Grade-A warehousing project named, One Alpha Industrial and Logistics Park, at Oragadam, Kanchipuram district, Tamil Nadu on a land admeasuring 52 acres. The total leasable area of the project is 1.1 msf spread across 8 blocks.

Key financial indicators (audited): Not Applicable being a project stage company

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current rating (FY2027)		Chronology of rating history for the past 3 years					
		FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs crore)	May 06, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long Term	235.00	[ICRA]BBB (Stable)	Jun 20, 2025	[ICRA]BBB (Stable)	-	-	-	-

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:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	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:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA

7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	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

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	Apr 2025	NA	Apr 2030	235.00	[ICRA]BBB (Stable)

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Shri Varadaraja Industrial and Logistics Park Private Limited	100% (rated entity)	Full consolidation
Shri Kamakshi Logicity Private Limited	100%*	Full consolidation

Source: Company; ICRA Research; *Ownership is same for Shri Varadaraja Industrial and Logistics Park Private Limited and Shri Kamakshi Logicity Private Limited

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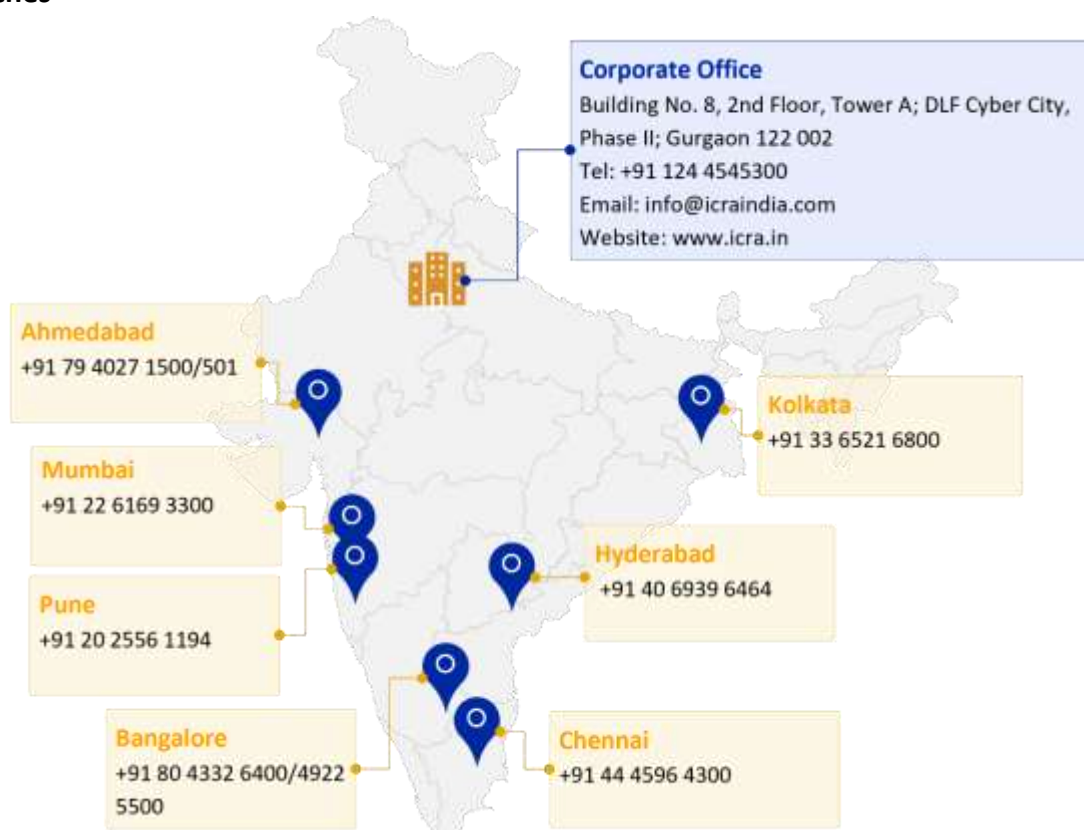
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