June 12, 2026

IG3 Infra Limited: Rating reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loans	2,265.0	2,700.0	[ICRA]A- (Stable); reaffirmed and assigned for enhanced limits
Long-term – Non-fund based limits	47.7	50.0	[ICRA]A- (Stable); reaffirmed and assigned for enhanced limits
Total	**2,312.7**	**2,750.0**	

**Instrument details are provided in Annexure II*

Rationale

The rating reaffirmation factors in the healthy occupancy of IG3 Infra Limited's[1] (IG3) office asset, Chennai One IT SEZ (with a leasable area of 4.0 msf), at 95% as of March 2026, along with expected healthy collection in its plotted project (saleable area of 0.42 msf in Devanahalli, Bengaluru), resulting in adequate leverage and comfortable debt coverage metrics in the medium term. The leverage, as measured by total debt/cash flow from operations (CFO), will increase in FY2027–FY2028 owing to top-up of Rs. 500-crore debt. Nevertheless, the elongated debt maturity and reduced interest rate will lead to comfortable coverage metrics with five-year DSCR above 1.35 times during FY2027–FY2031. The management's guidance of maintaining liquidity over Rs. 300.0 crore during the debt tenure provides cushion against temporary shocks due to a decline in occupancy as well as interest rate hikes, if any.

The company's credit profile is exposed to high tenant concentration risk, with the top five tenants accounting for 75% of the leased area as on March 31, 2026. Moreover, the weighted average lease expiry (WALE) of the asset stood at 6.0 years, post the recent lease renewals, compared to the remaining debt maturity of around 15.0 years as on March 31, 2026, thereby highlighting the lease renewal risk. Nevertheless, these risks are partly mitigated by the competitive rentals as well as the significant fit-out cost incurred by the tenants. IG3's credit profile also remains vulnerable to execution and market risks in its data centre (DC) project as well as in its plotting portfolio. Sizeable advances to group entities in the form of advances and investments results in modest return on capital employed. The ramp-up in the DC project, along with trends in mode of financing for future capex and investments in other projects, will be the key monitorable. It also faces asset and geographical concentration risks, which are inherent in single-asset portfolios.

The Stable outlook reflects ICRA's expectation that the company will maintain healthy occupancy levels, supported by its favourable location, leading to comfortable debt coverage metrics, while maintaining adequate liquidity and leverage levels.

Key rating drivers and their description

Credit strengths

Healthy occupancy levels; comfortable debt coverage metrics – The company reported healthy occupancy of around 95% as of March 2026 on a leasable area of 4.0 msf (98% as of December 2025 on a leasable area of 3.8 msf), supporting stable rental income. The debt levels are likely to rise to Rs. 2,250.0–2,300.0 crore as on March 31, 2027 and further increase to Rs. 2550.0–2,600.0 crore as on March 31, 2028 due to the DC project. However, the leverage level, as reflected by total debt/CFO is

[1]*Previously, ICRA has consolidated the financials of IG3 with ETL Secure Space Ltd (ESSL) and Grand Luxe Hotels Limited (GLHL) as IG3 had extended a corporate guarantee for the debt of ESSL and GLHL. With the closure of the above debt resulting in cessation of corporate guarantee from IG3, ICRA has considered the standalone financials of the company during the current exercise.*

expected to remain adequate at below 7.0 times (FY2026: 7.1 times) and net debt/CFO at below 6.0 times in the medium term. The coverage metrics, depicted by five-year average DSCR, is estimated to remain comfortable above 1.35 times during FY2027–FY2031, driven by healthy cash flows from the office asset, plotted project and the DC project as well as the long tenure of the refinanced debt. ICRA notes that there is adequate cushion in coverage metrics to withstand spike in interest rate by 50–100 bps. Any material decline in occupancy, which could directly impact the coverage metrics, remain a key monitorable.

Reputed tenant profile and favourable location of property – The project, 'Chennai One IT SEZ', owned and operated by IG3, benefits from a reputed tenant profile and a strategic location close to the established IT corridor of Old Mahabalipuram Road (OMR), Chennai. The proximity of the SEZ to one of the prominent markets for office results in high occupancy levels for the asset. The micro-market is supported by adequate social infrastructure and strong connectivity via major road networks and the upcoming Purple Line metro enhances its marketability.

Credit challenges

High tenant concentration and lease renewal risk – The company is vulnerable to tenant concentration risk, wherein the top five tenants accounts for 75% of the leased area as on March 31, 2026. Further, it is exposed to lease renewal risk, wherein the WALE of the asset stood at 6.0 years compared to the remaining debt maturity of around 15 years as on March 31, 2026. Nevertheless, these risks are partly mitigated by the competitive rentals as well as the significant fit-out cost incurred by the tenants. It also faces asset and geographical concentration risks, which are inherent in single-asset portfolios.

High investment and advance to group companies and other projects – As on March 31, 2026, IG3 has extended sizeable investments and advances to related parties and subsidiaries aggregating to Rs. 243.7 crore (PY: Rs. 164.0 crore), including investments towards certain projects and non-revenue generating assets. Additionally, the company remains exposed to execution and market risks in its DC project, which is in the early stages of construction with no pre-leasing as on March 31, 2026 and remains a key monitorable. The plotting project remains susceptible to residual execution and market risks, with ~63% of the area unsold as of March 2026. The scale of the future capex and investments in other projects and the funding mix of the same will be the key monitorable.

Liquidity position: Adequate

The company's liquidity position is adequate with free cash and liquid investments of Rs. 356.1 crore as on March 31, 2026. IG3 has debt repayment obligations (P+I) of Rs. 222.0 crore in FY2027, which can be comfortably serviced through its estimated CFO. It has capex plans of around Rs. 440–460 crore, to be incurred in FY2027–FY2028 towards constructing a DC project, which is expected to be funded through the undrawn debt.

Rating sensitivities

Positive factors – ICRA could upgrade IG3's rating if the company demonstrates a sustained high occupancy level, along with an improvement in debt protection metrics on a sustained basis. Specific credit metrics for a rating upgrade include five-year average DSCR greater than 1.5 times and total debt/below 6 times on a sustained basis.

Negative factors – The rating may be downgraded if there is a material decline in occupancy levels or delay in ramp-up of DC operations or significant increase in indebtedness resulting in weakening of debt coverage and leverage metrics. Further, any material incremental investments or loans and advances to group companies will be a credit negative. Specific credit metric for a rating downgrade includes the five-year average DSCR declining below 1.3 times and total debt/CFO above 6.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#) [Realty – Leasing](#)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

IG3 Infra Limited (formerly known as Indian Green Grid Group Limited), a Chennai-based company, has developed an Information Technology-Special Economic Zone (IT-SEZ) – 'Chennai One', at Pallavaram-Thoraipakkam, in Chennai, with a total leasable operational commercial space of 4.0 msf. The company is promoted by Ms. Unnamalai Thiagarajan. It has completed the first phase of the IT-SEZ on a land area of 7.86 acres with a leasable area of 1.05 msf in FY2007. Further, the North Block and South Block of the second phase got commercialised in FY2016 and FY2019 respectively.

At present, the company is developing a plotted project, in Bengaluru with a total saleable area of 0.42 msf. While the Phase 1 of the project is already launched, the Phase 2 of the project is likely to be launched in FY2027. Overall, the company has sold around 38% of the total saleable area. Further, it is developing a DC project with a total capacity of 10 MW in Bengaluru and is expected to be completed by FY2028.

Key financial indicators (audited)

IG3 (Standalone)	FY2025	FY2026*
Operating income	399.5	398.8
PAT	84.0	104.3
OPBDIT/OI	72.8%	77.0%
PAT/OI	21.0%	26.2%
Total outside liabilities/Tangible net worth (times)	3.4	3.3
Total debt/OPBDIT (times)	6.8	7.2
Interest coverage (times)	1.4	1.6

*Source: Company, ICRA Research; * Provisional numbers; 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 (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
Instrument	Type	Amount Rated (Rs. crore)	June 12, 2026	Date	Rating	Date	Rating	Date	Rating
Long-term-Term loan-Fund-based	Long Term	2700.00	[ICRA]A- (Stable)	Feb 04, 2026	[ICRA]A- (Stable)	Dec 30, 2024	[ICRA]A- (Stable)	Oct 06, 2023	[ICRA]BBB+ (Stable)

Long-term-Non-fund based limits	Long Term	50.00	[ICRA]A- (Stable)	Feb 04, 2026	[ICRA]A- (Stable)	Dec 30, 2024	[ICRA]A- (Stable)	Oct 06, 2023	[ICRA]BBB+ (Stable)
Long-term-Unallocated	Long Term	0.00	-	-	-	-	-	Oct 06, 2023	[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 the regulatory purview of various Financial Sector Regulators (FSRs), 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 the regulatory purview of various FSRs, as under:

Sr. No.	Activity name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal 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 FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long term – Non-fund based limits	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**	FY2026	NA	FY2041	2700.0	[ICRA]A- (Stable)
NA	**Non-fund based**	NA	NA	NA	50.0	[ICRA]A- (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 – Not Applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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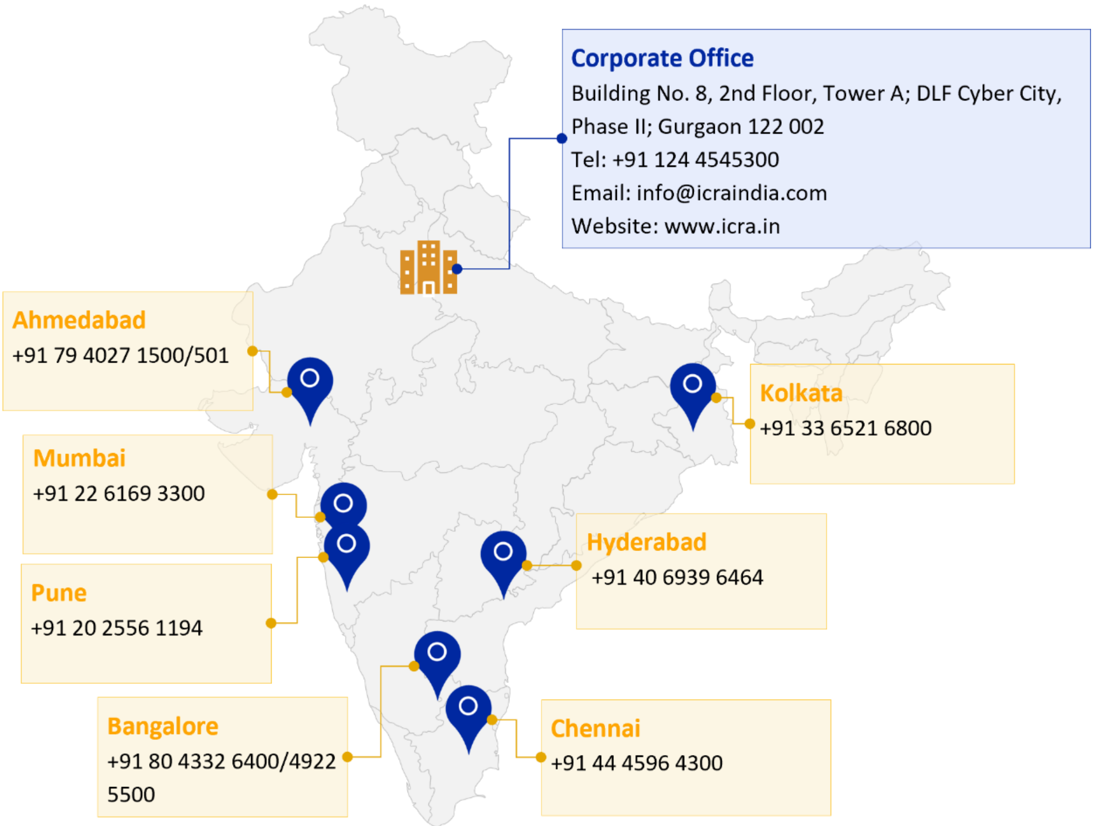

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