IG3 Infra Limited

March 16, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Issuer rating	-	-	Reaffirmed at CARE A-; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding issuer rating of 'CARE A-; Stable' assigned to IG3 Infra Limited (IG3) with immediate effect. This action has been taken at the request of IG3.

Reaffirmation of issuer rating assigned to IG3 continues to derive strength from presence of experienced promoters and management. It is supported by healthy occupancy of the property, a diversified tenant profile, and the prime location of its Grade A commercial office spaces in Chennai. The rating also factors in comfortable financial risk profile, adequate liquidity, and presence of an escrow mechanism with a debt service reserve account (DSRA) for debt servicing.

However, these strengths are partially offset by significant exposure to group companies, risk associated with timely renewals, execution and market risk for phase III development, and inherent risks associated with cyclical nature of the real estate industry.

CareEdge Ratings also notes the scheme of amalgamation and arrangement approved by the National Company Law Tribunal (NCLT) with an appointed date of December 01, 2024. The scheme includes the demerger of the hotel division from Grand Luxe Hotels Limited (GLHL), a wholly owned subsidiary of IG3, into Grand Luxe Hotels (Coorg) Private Limited (GLHCPL), an associate of IG3; the demerger of certain land parcels into different wholly owned subsidiaries; and the amalgamation of a few subsidiaries into IG3. These transactions are being treated as common control transactions. These transactions are being accounted as common control transactions.

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Experienced promoters and management

IG3 is a Chennai-based company engaged in real estate development and has an established track record of nearly two decades in leasing operations. The company is overseen by its Board of Directors under the chairmanship of C. Ramachandran, IAS (Retired). The Group is also involved in operating the five-star hotel Heritage Madurai.

Steady cash flows, supported by healthy occupancy level and reputed tenants

The company operates the 'Chennai One' IT SEZ Park with total leasable area of ~38 lsf. As on September 30, 2025, ~98% of the area was leased to reputed Indian IT companies and multinational companies (MNCs), supporting stable rental inflows. Most lease agreements have tenures of over five years with escalations of 5% annually or 10–15% every three years.

IG3 also has a 43-acre land bank in Devanahalli, Bangalore, on which it plans to launch plotting projects in phases providing additional cash flows to the company. It has launched Phase I and II of plotting project on 19 acres land under the 'Ekta Elements' brand with a saleable area of 4.26 lsf and revenue potential of ~₹485 crore. Around 30% of area was sold as on September 30, 2025. The company plans to sell the project at a calibrated pace to benefit from price appreciation.

Favourable location and grade quality assets

Chennai One IT SEZ is on the Pallavaram–Thoraipakkam 200 ft. Road near the IT corridor of Old Mahabalipuram Road (OMR), a preferred destination for the information technology (IT)/IT-enabled services (ITeS) sector. The project benefits from proximity

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications

to residential complexes, markets, malls and schools. The property is well maintained and has sustainability features, as reflected in its LEED Gold certification.

Presence of structural features such as DSRA and escrow mechanism
Per terms of the loan agreement, entire cash inflows consisting of lease rentals, and other inflows (CAM receipts and fit out rent) are required to be routed through designated escrow account. There is a well-defined waterfall mechanism, where debt servicing takes priority over other outflows, demonstrating strong discipline. With escrow and waterfall mechanisms, the company has created DSRA equivalent to three months principal and interest amount, which supplements the liquidity profile.

Comfortable financial risk profile
The debt protection metrics remain healthy at the current occupancy level. Based on outstanding debt of ~₹1,980 crore as on March 31, 2025, debt to earnings before interest, taxation, depreciation, and amortisation (EBITDA) and loan-to-value (LTV) stood at ~6.41x and 54%, respectively. The ratios are expected to remain comfortable with debt to EBITDA in the range of 3x-5.75x in the near-to-medium term. The cash coverage ratio (CCR) is expected to remain healthy in the range of 1.3x-1.8x in the near-to-medium term, aided by growing rental income, collections from plotting project, and expected leasing of phase III.

Key weaknesses

Execution risk and market risk associated with Phase III
IG3 is undertaking construction of phase III with a total leasable area of ~6.80 lsf, of which 5.65 lsf is under construction and the balance remains in the planning stage. As on September 30, 2024, it has incurred ~₹74 crore, representing 26% of the estimated cost. The company has slowed execution to align construction with tenant commitments. While basic structural work has commenced, full completion will follow post signing of lease agreements. The expected completion timeline has been revised from December 2025 to December 2026, with no cost overruns recorded.

Risk associated with timely renewals and leasing out of Phase III
The company's operational income is susceptible to volatility in occupancies and rental rates. In the next five years, significant area shall be due for renewal. Accordingly, timely renewal of lease agreements and realisation of escalations as envisaged remains crucial for effective cash flow management. The company is also exposed to marketing risk with leasing additional area under phase III. The promoter's long track record of operations and established relationship with tenants, provides comfort in terms of sustenance of healthy occupancy level.

Tenant and revenue concentration risk
The company is exposed to tenant concentration risk as top five tenants occupy ~71% of total leased area and contributes 73% of total operational income.

Geographic concentration risk
IG3 owns single IT SEZ Park, positioned at a single micro-market in Chennai, exposing the company to geographical concentration risk. Any adverse development or decline in demand in such micro-market may significantly impact rentals and occupancy of the company. However, prime location of the asset reduces risk to a certain extent.

Significant exposure to group companies
IG3 has significant exposure in its group companies through investments, unsecured loans and advances and corporate guarantees. As on March 31, 2025, loans and advances extended to group companies stood ~₹96 crore. The company has also extended corporate guarantee of ₹380 crore to ETL Secure Space Limited covering its debt for construction of data centre. The debt is yet to be drawn.

Inherent risk associated with cyclical real estate industry
The company is exposed to cyclicality associated with the real estate sector, which has direct linkage with general macroeconomic scenario and interest rates. Rental collection remains susceptible to economic downturns, which may constrain the tenant's business risk profile, and therefore, limit occupancy and rental rates.

Liquidity: Adequate
Adequate liquidity of IG3 is supported by strong monthly rental collections of ~₹33 crore, against monthly interest and principal obligations of ~₹19 crore. As of September 30, 2025, the company held ~₹503 crore in cash and bank balances, including fixed deposits. The FDs includes ₹56 crore earmarked as DSRA (equivalent to three months of debt servicing) and ₹48 crore lien-marked

against bank guarantees. The remaining balance is earmarked for the planned capital expenditure of ~₹300 crore. In addition, IG3 has an unutilised sanctioned overdraft facility of ₹30 crore. These resources collectively provide adequate liquidity support.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Issuer Rating
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Withdrawal Policy
Rating methodology for Debt backed by lease rentals

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

Incorporated in 2004, IG3 (CIN: U45203TN2004PLC052443), formerly known as Indian Green Grid Group limited, is a Chennai-based company engaged in developing and maintaining IT SEZ Park – 'Chennai One' at Pallavaram – Thoraipakkam in Chennai with total leasable area of ~38 lsf. IG3 is public unlisted company and is promoted by Unnamalai Thiagarajan. The company completed the first phase of Chennai One with a leasable area of 10.56 lsf in FY07. The second phase, consisting of North and South Block with leasable area of 26.68 lsf was commercialised in FY16 and FY19, respectively. The company is constructing third phase, with a leasable area of 6.80 lsf, which is targeted to be completed by December 2026.

Brief Financials (₹ crore)	March 31, 2024 (A)**	March 31, 2025 (A)
Total operating income	349.60	399.50
PBILDT*	264.86	290.93
Profit after tax (PAT)	91.67	83.96***
Overall gearing (x)	2.03	2.92
Interest coverage (x)	1.52	1.45

A: Audited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation, and tax
**Financial Statements for FY24 have been restated to give effect to the scheme of amalgamation and arrangement
***It includes deferred tax adjustment of ₹45 crore.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Issuer Rating-Issuer Ratings	-	-	-	-	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Issuer Rating-Issuer Ratings	LT	-	-	1)CARE A-; Stable (16-Mar-26)	1)CARE A-; Stable (09-Jan-25)	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated: Not applicable

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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