

August 12, 2025

Innovative Outsourcing 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 Loans	200.00	200.00	[ICRA]BBB+ (Stable); reaffirmed
Long Term Interchangeable limits [^]	(5.00)	(5.00)	[ICRA]BBB+ (Stable); reaffirmed
Total	200.00	200.00	

*Instrument details are provided in Annexure I[^] Bank Guarantee (BG), sublimit of Term Loan

Rationale

The rating reaffirmation takes into consideration Innovative Outsourcing Private Limited's (IOPL) favourable sponsor profile, and the established track record of IndoSpace in the industrial warehousing and logistics space in India. IOPL a special purpose vehicle (SPV) sponsored by the IndoSpace network (IndoSpace), which is developing an industrial and logistics park in the National Capital Region (NCR) in Taoru, with a total leasable area of 1.15 million square feet (msf), spread across four warehousing units. The rating draws comfort from the project's favourable location in Taoru micromarket, Haryana and good connectivity to adjacent industrial and warehousing hubs, enhancing its marketability. Further, the funding risk remains low as the entire debt requirement has been tied up and 50% of the committed equity has been infused as of March 2025, for a budgeted debt to equity of 1.18:1. Post commencement of operations, the leverage is likely to remain adequate. ICRA notes the exceptional financial flexibility of IndoSpace and its track record of honouring the sponsor's undertakings to lenders by infusing funds into various SPVs, whenever needed.

The rating is, however, constrained by the project's exposure to execution and market risks. The project is at a nascent stage, with 40% construction progress as of March 2025. This risk is mitigated by the sponsor's extensive experience in the warehousing space and the construction is expected to be completed within the scheduled DCCO of March 2028. ICRA takes note of the company's exposure to market risk as there are no major leasing tie ups as of date (0.5% leased as of June 2025). Hence, its ability to achieve leasing on time and at adequate rental rates will be a key rating monitorable. ICRA derives comfort from the demonstrated ability and track record of IndoSpace to lease and execute projects on time. The company is vulnerable to high geographical and asset concentration risks inherent in a single project portfolio.

The Stable outlook reflects ICRA's opinion that the company is expected to complete the project without any material time and cost overruns as well as secure lease tie-ups at adequate rental rates.

Key rating drivers and their description

Credit strengths

Strong track record and business profile of sponsors – Innovative Outsourcing Private Limited is promoted by ILP III Ventures XIX Pte. Ltd (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. At present, it manages assets worth over USD 11 billion and operates some of the largest and most modern facilities in North America and other parts of the world. Everstone Capital is a prominent India-focused investment firm, and the Everstone Group manages funds of over USD 7 billion in private equity and real estate. GLP Global is an investment firm with over USD 60 billion assets under management (AUM) across the real estate and private equity segments.

Favourable project location – The project is located on a land parcel admeasuring about 51.30 acres in Taoru, Haryana in NCR. The proposed site is in proximity to the Delhi Mumbai Expressway making it almost equidistant from the existing and upcoming Mumbai-Delhi Road connectivity. The proposed site is near to Kundli Manesar Palwal Expressway (~5.3 km), Sohna and Bilaspur Chowk (~14.5 km), and New Taoru railway station of the Western Dedicated Freight Corridor (WDFC), providing good connectivity to adjacent industrial and warehousing hubs, enhancing its marketability.

Low funding risk – The project’s funding risk is low as the debt requirement has been tied up and 50% of the equity requirement has already been infused for a budgeted debt-to-equity ratio of 1.18:1 for the project. ICRA derives comfort from the adequate project leverage estimated from the project. The rated facility requires maintaining a DSRA equivalent to three months of repayment obligations during the entire loan tenure.

Credit challenges

Exposure to project execution risk – The project is in the nascent stage of execution, with 40% construction progress as of March 2025. It has a total leasable area of 1.15 msf spread over four blocks, of which one block is constructed, another is under construction and construction is yet to start for the remaining two blocks. Nonetheless, the construction is expected to be completed within the budgeted timelines without any time/cost overruns, given the sponsor’s extensive experience in the warehousing space.

Exposure to market risks – The company is exposed to market risk as there are no major leasing tie ups as of date. ICRA notes that it has leased a small portion, i.e., 6,479 sq. ft of Block 400 as of March 2025. IOPL’s ability to achieve incremental leasing on time and at adequate rental rates will remain critical from the credit perspective.

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

Liquidity position: Adequate

The company has free cash balance of Rs. 1.8 crore as of March 2025. The pending project cost of Rs. 222.0 crore would be funded by balance equity of Rs. 85 crore and undrawn CF loan of Rs. 131.65 crore as of March 2025.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company achieves significant progress in leasing at adequate rental rates and the project progresses well without any major cost overruns leading to comfortable debt protection metrics.

Negative factors – Cost overrun or unforeseen delay in completing the project could exert pressure on the company’s rating. Considerable delays in lease tie-ups at inadequate rental rates or any significant increase in indebtedness impacting the debt protection metrics may lead to 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	Standalone

About the company

IndoSpace is developing an industrial and logistics park under Innovative Outsourcing Private Limited on a land admeasuring approximately 51.30 acres with a total leasable area of 1.15 msf comprising four warehousing units at Taoru, Haryana in NCR. The construction of the project has commenced in May 2023 and is expected to be completed by March 2028.

Key financial indicators (audited) - Not Applicable as it is a project stage company

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Aug 12 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	200.00	[ICRA]BBB+ (Stable)	Aug 02, 2024	[ICRA]BBB+ (Stable)	-	-	-	-
Interchangeable limits [^]	Long term	(5.00)	[ICRA]BBB+ (Stable)	Aug 02, 2024	[ICRA]BBB+ (Stable)	-	-	-	-

[^] Bank guarantee (BG), sublimit of term loan

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Term loan	Simple
Long-term interchangeable limits [^]	Very Simple

[^] Bank guarantee (BG), 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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	March 2024	NA	FY2038	200.00	[ICRA]BBB+ (Stable)
NA	Interchangeable limits [^]	NA	NA	NA	(5.00)	[ICRA]BBB+ (Stable)

Source: Company; [^] Bank Guarantee (BG), sublimit of Term Loan

[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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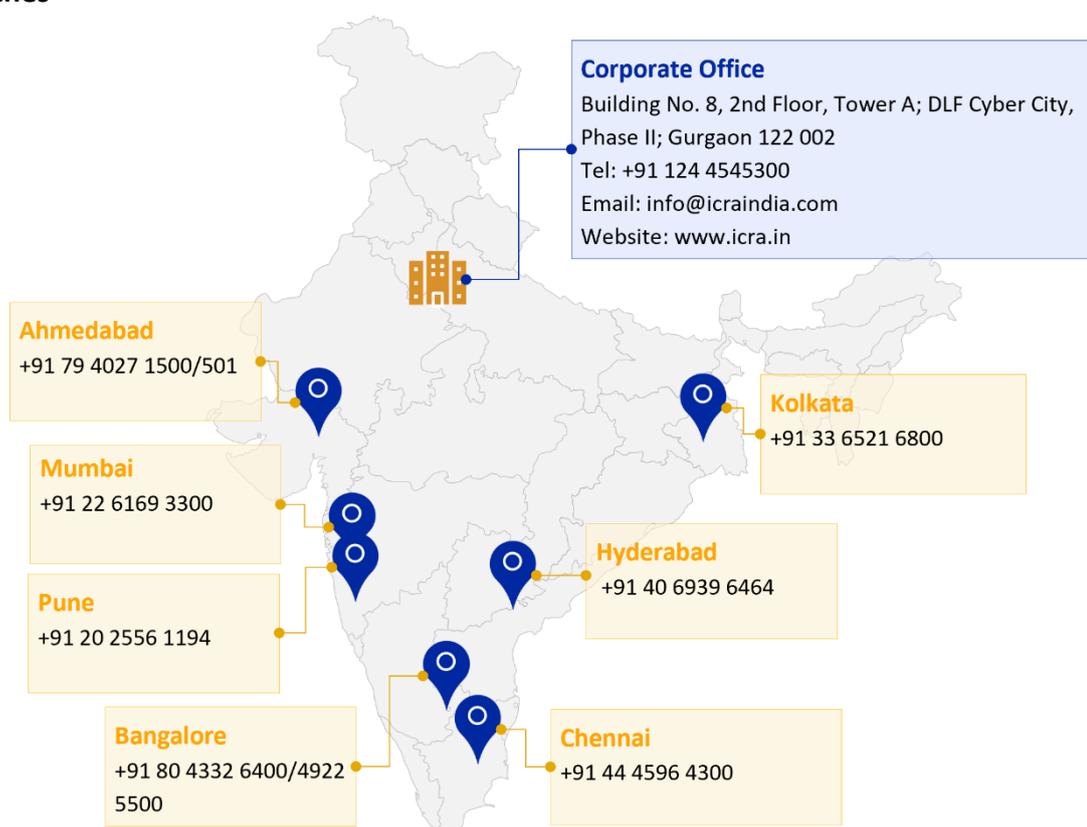
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