

October 08, 2025

WOLP II Warehouse VA Private Limited: [ICRA]BBB (Stable)/ [ICRA]A3+ assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	399.00	[ICRA]BBB (Stable); assigned
Short-term –Non-fund based –Bank guarantee	50.00	[ICRA]A3+; assigned
Short-term –Non-fund based –Letter of credit	(70.00)	[ICRA]A3+; assigned
Total	449.00	

*Instrument details are provided in Annexure I

Rationale

The assigned rating for WOLP II Warehouse VA Private Limited (WOLP II VA) factors in the favourable sponsor profile of Welspun One Logistics Park (WOLP) Fund II, along with the favourable location of the asset with good connectivity (~6 km from Jawaharlal Nehru Port (JNPT)), one of the largest ports for containerised cargo in India. WOLP II VA is a part of WOLP, a SEBI-registered Category II Alternative Investment Fund (AIF), anchored by promoters of the Welspun Group, designed to deliver large format, Grade-A warehousing parks across India. As of March 2025, WOLP had an area under management of around 15.5 msf [including WOLP Fund I, WOLP Fund II and one project where WOLP is acting as the development manager (DM)] spread across ten locations. The budgeted cost of the project is Rs. 570 crore, which is expected to be funded by debt of Rs. 399 crore and the balance through promoter contribution/internal accruals/security deposit. The funding risk for the project remains low as the debt has been tied up and 52.5% of the committed promoter contribution has been infused as of June 30, 2025.

The rating is, however, constrained by the project's exposure to execution risk with only 15% of the budgeted cost incurred as of June 2025. Nonetheless, the scheduled date of commencement of commercial operations (DCCO) for the project is in March 2029 and the repayment for construction finance (CF) loan availed for the project is due in FY2030, which provides adequate timeline for completion and leasing of the project. The company is exposed to market risk as there are no pre-leasing tie-ups as on date, though there is a pre-leasing pipeline for ~30% of the area for which the LOI is expected to be signed shortly. There are leasing-linked disbursement norms for availing debt above Rs. 299 crore. Any significant delays in achieving lease tie-ups at adequate rentals may impact the company's debt drawing capacity as well as its debt coverage indicators. Nonetheless, ICRA draws comfort from the demonstrated track record of WOLP Fund in achieving healthy leasing in its other parks with reputed counterparties. The leverage as measured by Total External Debt/Net operating income (NOI) is estimated to be high and the debt coverage metrics are likely to be moderate post the commencement of operations. 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 strong sponsor and is expected to complete the project within the DCCO and secure lease tie-ups at adequate rental rates well within the DCCO.

Key rating drivers and their description

Credit strengths

Part of warehousing fund backed by strong sponsor – WOLP II VA is promoted by WOLP Fund II. WOLP Fund II is a SEBI-registered Category II AIF, anchored by promoters of the Welspun Group, designed to deliver large format, Grade-A

warehousing parks across India. WOLP has floated two schemes – WOLP Fund I with issue size of around Rs. 499 crore and WOLP Fund II with issue size of Rs. 2,000 crore (Rs. 1,000 crore base with a green shoe option of Rs. 1,000 crore). As of March 2025, WOLP had an area under management of around 15.5 msf [including WOLP Fund I, WOLP Fund II and one project where WOLP is acting as the development manager (DM)] spread across ten locations.

Favourable project location – The project is favourably located in JNPA SEZ, in the vicinity of Jawarharlal Nehru Port (JNPT) (~6 km from the port) in Navi Mumbai, Maharashtra, enhancing marketability. The site is accessible from NH 348 (~1 km from NH 348). JNPT is one of the India's largest ports for containerised cargo and its proximity ensures easy access to the port, while the project is also well-connected to the upcoming Navi Mumbai International Airport (~17 km), which is expected to handle substantial cargo traffic, strengthening the region's logistics capabilities.

Low funding risk – The budgeted cost of the project is Rs. 570 crore, which is expected to be funded by a debt of Rs. 399 crore and the balance through promoter contribution/internal accruals/security deposit. The funding risk for the project remains low as the entire debt has been tied up and 52.5% of the committed promoter contribution has been infused as on June 30, 2025.

Credit challenges

Exposure to execution risks and high market risks – The project remains exposed to execution risk, with only 15% of the budgeted cost incurred as of June 2025. However, the scheduled DCCO in March 2029 offers sufficient time for project completion. Given the fund's established execution and leasing track record, ICRA expects timely completion within the stipulated DCCO. The project is exposed to market risk in absence of pre-leasing tie-ups as of date. However, there is a visible pipeline for pre-leasing approximately 30% of the leasable area, with Letters of Intent (LOIs) expected to be signed shortly. In addition to warehouse space, this project entails multi-layer industrial space and office space for leasing and the leasing traction for the same remains to be seen.

High project leverage – Post the commencement of operations, the leverage for the project is estimated to remain high and consequently, the debt coverage metrics are expected to be moderate.

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

Liquidity position: Adequate

The company's liquidity position is adequate with Rs. 4.7 crore of free cash and liquid investments and Rs. 374 crore of undrawn term loan, as on June 30, 2025. These, along with expected security deposits and internal accruals, are expected to be adequate to fund the pending project cost of Rs. 485 crore as on June 30, 2025. The CF loan has repayments starting from FY2030 post DCCO in March 2029.

Rating sensitivities

Positive factors – ICRA could upgrade the rating in case of timely completion of the project without any major cost/time overruns and/or the company achieves significant leasing progress at adequate rental rates leading to comfortable debt protection metrics.

Negative factors – Material cost overrun or unforeseen delay in completing the project could exert pressure on the company's rating. Considerable delays in lease tie-ups or 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
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

WOLP II Warehouse VA Private Limited (WOLP II VA) was incorporated on January 4, 2024, with focus on developing, operating, and leasing infrastructure across warehousing, commercial, industrial, logistics, and multi-sector Special Economic Zones (SEZs), along with related services. The company is a wholly-owned subsidiary of WOLP II Warehouse V Private Limited, which is in turn fully owned by Welspun One Logistics Parks Fund 2. It is developing a mixed-use project comprising office, industrial and warehousing area with a leasable area of 0.67 msf on 10.08 acres of land in JNPA SEZ area which is acquired on 60-year lease from Jawaharlal Nehru Port Authority (JNPA). The project's scheduled date of commencement of commercial operations (DCCO) is in March 2029.

Key financial indicators (audited) – NA, since it is a project stage company and the financials are not meaningful.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
FY2026				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Oct 08, 2025	Date	Rating	Date	Rating	Date	Rating
Term Loan	Long term	399.00	[ICRA]BBB (Stable)	-	-	-	-	-	-
Bank guarantee	Short term	50.00	[ICRA]A3+	-	-	-	-	-	-
Letter of credit	Short term	(70.00)	[ICRA]A3+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	Simple
Short-term –Non-fund based –Bank guarantee	Very Simple
Short-term –Non-fund based –Letter of credit	Very 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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term Loan	March 2025	NA	FY2045	399.00	[ICRA]BBB (Stable)
NA	Bank guarantee	NA	NA	NA	50.00	[ICRA]A3+
NA	Letter of credit	NA	NA	NA	(70.00)	[ICRA]A3+

Source: Company

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

Annexure II: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Maitri Vira

+91 79 6923 3012

maitri.vira@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Sandeepkumar Patwa

+91 22 6169 3368

sandeepkumar.patwa@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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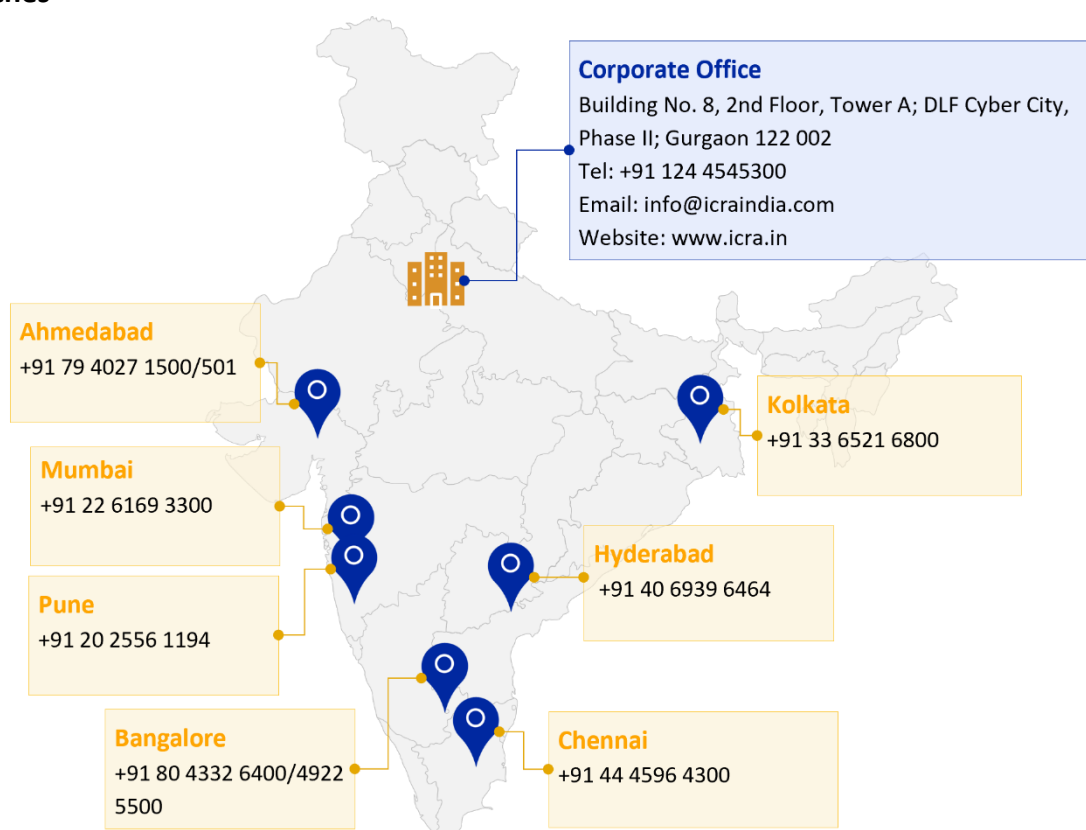
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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