November 18, 2025

WOLP II Tauru 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	84.00	[ICRA]BBB(Stable); assigned
Short-term – Bank guarantee (sub-limit of term loan)	(10.00)	[ICRA]A3+; assigned
Short-term – Letter of credit (sub-limit of term loan)	(10.00)	[ICRA]A3+; assigned
Long-term – Overdraft (sub-limit of term loan)	(5.00)	[ICRA]BBB(Stable); assigned
Total	**84.00**	

**Instrument details are provided in Annexure I*

Rationale

The assigned ratings for WOLP II Tauru Private Limited (WTPL) factors in the strong sponsor profile, along with the favourable location of the asset at Tauru, Haryana with pre-leasing for 23% of the total leasable area of approx. 0.4 msf as of September 2025. WTPL is sponsored by Welspun One Logistics Park (WOLP) Fund II, a SEBI registered Category II Alternative Investment Fund (AIF), anchored by promoters of the Welspun Group, designed to deliver Grade-A warehousing parks across India. As of September 2025, WOLP had an area under management of around 15 msf (including WOLP Fund I, WOLP Fund II and one project where WOLP is acting as the development manager (DM)). The budgeted cost of the project is Rs. 148.8 crore, which is expected to be funded by debt of Rs. 84 crore and the balance through parent contribution/internal accruals/security deposit. The funding risk for the project remains low as the debt has been tied up and ~83% of the committed promoter contribution has been fully infused as on June 30, 2025. The project is favourably located in Tauru, Haryana, with good connectivity through a well-developed network to Gurgaon and Delhi, which is likely to support its occupancy levels.

The ratings are, however, constrained by the project's exposure to execution risk with only 28% of the budgeted cost incurred as of June 2025. Nonetheless, the scheduled date of commencement of commercial operations (DCCO) for the project is in September 2028. Given the established track record of the fund, ICRA expects the project to be completed within the scheduled DCCO. The company is exposed to market risk as 77% of the area is yet to be tied up as of September 2025. Hence, the company's 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 WOLP in achieving healthy leasing in its other parks. Post commencement of operations, the debt coverage metrics are estimated to be moderate. The construction finance (CF) loan availed for the project has a bullet repayment falling due in July 2029, exposing it to refinancing risks. Nevertheless, there is adequate timeline for completion and leasing, which mitigates the risks to an extent. However, 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, WOLP, 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

Part of warehousing fund backed by strong sponsor – WTPL 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 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 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 Tauru, Haryana. The site is located ~3.8 km from NH-919, ~7.5 km from the Kundli Manesar Palwal (KMP) Expressway and ~9 km from NH-48 providing good connectivity through a well-developed network to Gurgaon and Delhi, which is likely to support occupancy levels.

Low funding risk – The budgeted cost of the project is Rs. 148.8 crore, which is expected to be funded by debt of Rs. 84 crore and the balance through parents contribution/internal accruals/security deposit. The funding risk for the project remains low as the debt has been tied up and ~83% of the committed promoter contribution has been fully infused as on June 30, 2025.

Credit challenges

Exposure to project execution and market risks – The company is exposed to execution risk with only 28% of the budgeted cost incurred as of June 2025. Nonetheless, the scheduled DCCO for the project is in September 2028. Given the established track record of the fund, ICRA expects the project to be completed within the scheduled DCCO. The company is exposed to market risk as 77% of the area is yet to be tied up as of September 2025. Hence, the company's 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 WOLP in achieving healthy leasing in its other parks.

Moderate debt coverage metrics and refinancing risk – Post commencement of operations, the debt coverage metrics are estimated to be moderate. The construction finance (CF) loan availed for the project has a bullet repayment falling due in July 2029, exposing it to refinancing risks. 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.

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 is adequate with free cash and liquid investments of Rs. 4.8 crore and undrawn term loan of Rs. 84 crore as on June 30, 2025. These, along with the security deposits and internal accruals, are expected to be adequate to fund the pending project cost of Rs. 106.9 crore as on June 30, 2025. The CF loan has a bullet repayment falling due in July 2029, which is expected to be refinanced through LRD loan.

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 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](#)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

WOLP II Tauru Private Limited (WTPL) is developing an industrial and logistics park at Tauru, NCR. The project is being developed on leasehold land admeasuring ~21 acres, with a total leasable area of 0.4 msf. The project's scheduled date of commencement of commercial operations (DCCO) is September 2028. WTPL is promoted by Welspun One Logistics Parks Fund-2.

Key financial indicators (audited) : Not applicable as it is a project company

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					
Instrument	Type	Amount rated (Rs. crore)	Nov 18, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based - Term loan	Long term	84.00	[ICRA]BBB (Stable)	-	-	-	-	-	-
Bank guarantee (sub-limit of term loan)	Short term	(10.00)	[ICRA]A3+	-	-	-	-	-	-
Letter of credit (sub-limit of term loan)	Short term	(10.00)	[ICRA]A3+	-	-	-	-	-	-
Overdraft (sub-limit of term loan)	Long term	(5.00)	[ICRA]BBB (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Short-term – Bank guarantee (sub-limit of term loan)	Very Simple
Short-term – Letter of credit (sub-limit of term loan)	Very Simple
Long-term – Overdraft (sub-limit of 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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Fund-based - Term loan**	Jul-2025	NA	Jul-2029	84.00	[ICRA]BBB (Stable)
NA	**Bank guarantee^**	-	-	-	(10.00)	[ICRA]A3+
NA	**Letter of credit^**	-	-	-	(10.00)	[ICRA]A3+
NA	**Overdraft^**	-	-	-	(5.00)	[ICRA]BBB (Stable)

Source: Company; ^ sub-limit 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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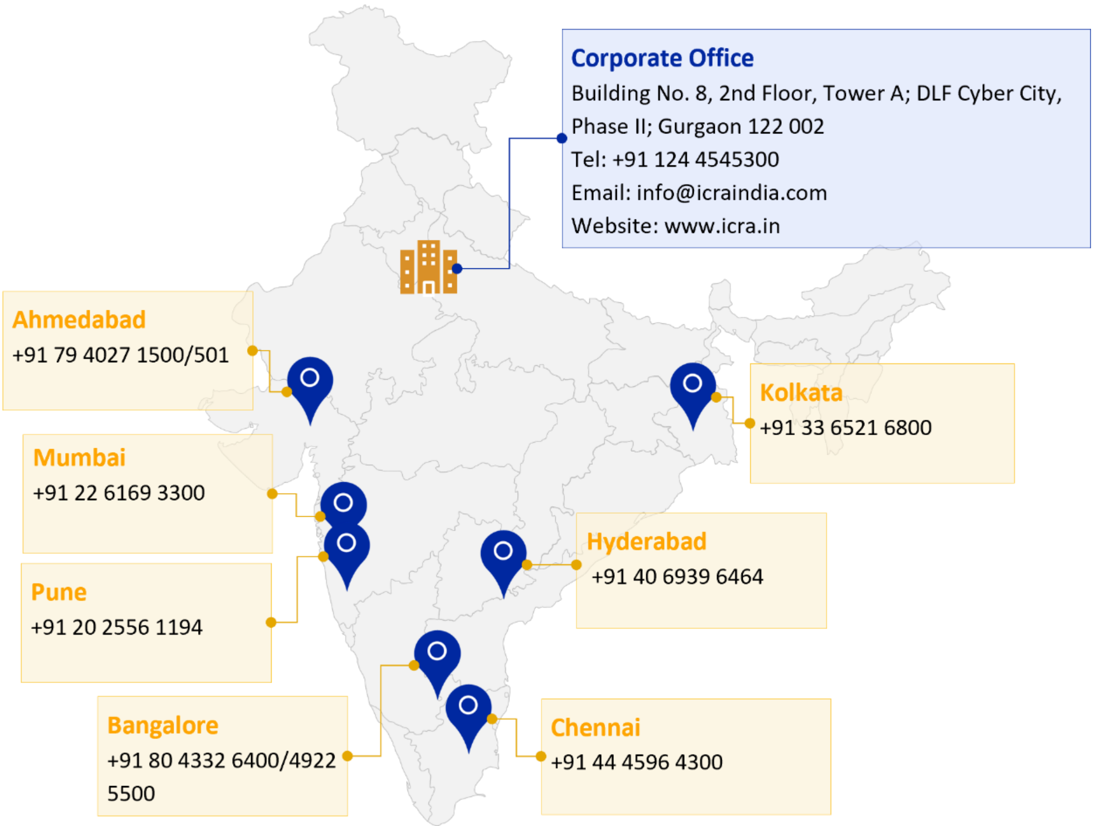

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