

April 07, 2026

Indospace MET Logistics Park Farukhnagar 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 loan	191.00	191.00	[ICRA]BBB+ (Stable); reaffirmed
Total	191.00	191.00	

[^]Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for IndoSpace MET Logistics Park Farukhnagar Private Limited (IMLPFPL) factors in the improvement in the leasing for its warehouse asset along with adequate leverage and debt coverage metrics estimated for the project. IMLPFPL, a special purpose vehicle (SPV) sponsored by the IndoSpace network¹ (IndoSpace; holds a 74% stake in IMLPFPL) and Model Economic Township Limited (METL, a Reliance Group company; holds a 26% stake in IMLPFPL), is developing an industrial and logistics park at Farukhnagar, in Gurgaon, Haryana, with a total leasable area of 1.4 million square feet (msf), spread across five warehouse units. The asset's leasing increased to 73% of the total leasable area as of December 2025 (28% as of September 2024) benefiting from the strong connectivity to Delhi and nearby industrial and warehousing clusters. The project is proposed to be funded in debt-to-equity ratio of 0.99:1. The funding risk remains low, given that the entire debt requirement has been tied up and more than 90% of the committed equity requirement has already been infused as of September 2025. The rating continues to draw comfort from the strong business profile of the IndoSpace Group with an established track record in the industrial, warehousing and logistics park business in India.

The rating is, however, constrained by the project's exposure to residual execution risk as about 21% of the total project cost is yet to be incurred as on December 31, 2025, against the date of commencement of commercial operations (DCCO) of August 01, 2026. The company is exposed to market risk as 27% of overall area is yet to be leased as of December 2025. While the company is in discussions with prospective tenants, its ability to achieve timely leasing and at adequate rental rates will be the key rating monitorable. However, ICRA derives comfort from the demonstrated ability and track record of IndoSpace to execute and lease projects on time. The company is also vulnerable 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 favourable location of the project which will ensure timely lease tie-ups at adequate rental rates along with the extensive experience of its sponsor, Indospace in the warehousing space and will be able to complete the project without any material cost overruns.

Key rating drivers and their description

Credit strengths

Favourable project location; improvement in leasing – The project is located at Farukhnagar, Gurgaon, Haryana. The site is 1.4 km off the State Highway 15A (Jhajjar, Gurugram Road; SH 15A), 16 km from Kundali-Manesar-Palwal Expressway (KMP) exchanges at Farukhnagar and Badli, and 36 km from Bilaspur Chowk. This location has high potential as a logistics hub for regional and national distribution for 3PL, consumer goods, automotive and e-commerce companies. The asset's leasing improved to 73% of the total leasable area as of December 2025 (28% as of September 2024).

¹ ILP III Ventures XXIX Pte. Ltd., Singapore (part of the IndoSpace network, which is sponsored by Realterm Global, Everstone Capital and GLP Global).

Strong track record and business profile of sponsors – IMLPFPL is promoted by ILP III Ventures XXIX Pte. Ltd (part of the IndoSpace network) and Model Economic Township Limited (METL, a Reliance Group company). IndoSpace is sponsored by Realterm Global, Everstone Capital and GLP Global. Realterm Global, at present, manages assets worth over USD 7 billion. Everstone Capital manages funds of over USD 5 billion in private equity and real estate. GLP Global is an investment firm and has over USD 100 billion in assets under management (AUM) across the real estate and private equity segments. METL is a wholly owned subsidiary of Reliance Ventures Limited, which is a 100% subsidiary of Reliance Industries Limited. METL is involved in the development of Model Economic Township (MET), in Jhajjar district, Haryana.

Adequate leverage and funding risk – The project’s funding risk is low as the entire debt requirement has been tied up and more than 90% of the equity requirement has already been infused as of December 2025. The budgeted project cost of Rs. ~407crore is estimated to be funded by a debt-to-equity ratio of 0.99:1. The funding risk remains low, given that the entire debt requirement has been tied up and more than 90% of the committed equity requirement has already been infused as of September 2025.

Credit challenges

Exposure to market risk – The company is exposed to market risk with 27% of the overall area yet to be leased as of December 2025. While IMLPFPL is in discussions with prospective tenants, its ability to achieve timely leasing and at adequate rental rates will be the key rating monitorable. However, ICRA derives comfort from the demonstrated ability and track record of IndoSpace to lease projects.

Exposure to project execution risk – As of December 2025, only one out of five blocks was under construction and 21% of the total project cost was yet to be incurred exposing the company to execution risk. Further, the DCCO for the project had been extended by two years to August 2026 with a consequent shift in the commencement of principal repayments to March 2027. Nonetheless, given the extensive experience of the Indospace Group in the warehousing space, ICRA expects the construction to be completed within the revised DCCO and without any material cost overruns.

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’s liquidity position is adequate with Rs. 19.0 crore of cash and liquid investments as of November 2025 and Rs. 28.8 crore of undrawn bank limits, as of December 2025, which along with the balance equity commitments and internal accruals will be adequate to fund the pending project cost. The company has principal repayment obligations of Rs 0.94 crore in FY2027 which is expected to be adequately met through its cashflow from operations.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company achieves significant progress in leasing at adequate rental rates resulting in healthy debt protection metrics.

Negative factors– Material delays in tying up leases at adequate rental rates leading to weakening of debt protection metrics may warrant a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Lease Rental Discounting (LRD)
Parent/Group support	NA
Consolidation/Standalone	Standalone

About the company

IndoSpace MET Logistics Park Farukhnagar Private Limited (IMLPFPL) is a 74:26 joint venture between M/s. ILP III Ventures XXIX Pte. Ltd., Singapore and Model Economic Township Limited (METL), a Reliance Group company. IMLPFPL is setting up a Grade-A industrial and warehousing park on a land of 55.14 acres at Farukhnagar, in Gurgaon, Haryana. The park will have a total leasable area of 1.4 msf, spread across five warehouses.

Key financial indicators (Audited)

IMLPFPL	FY2024	FY2025
Operating income	0.0	8.5
PAT	-11.1	- 9.7
OPBDIT/OI	NM	7.7%
PAT/OI	NM	-113.7%
Total outside liabilities/Tangible net worth (times)	2.4	4.1
Total debt/OPBDIT (times)	-114.5	405.2
Interest coverage (times)	-0.2	0.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore, PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; NM: Not meaningful

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2027)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Apr 07, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term loan	Long Term	191.00	[ICRA]BBB+ (Stable)	-	-	Jan 17, 2025	[ICRA]BBB+ (Stable)	Oct 06, 2023	[ICRA]BBB+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term — Fund-based — 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	Term loan I	Mar 2022	-	FY 2036	191.00	[ICRA]BBB+ (Stable)

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

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