June 04, 2026

Indospace Park Narsapura II Private Limited: [ICRA]BBB+ (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term-Fund-based-Term loan	200.00	[ICRA]BBB+ (Stable); Assigned
Total	**200.00**	

**Instrument details are provided in Annexure II*

Rationale

Indospace Park Narsapura II Private Limited (IPNPL-II), a special purpose vehicle (SPV) sponsored by the IndoSpace network[1] (IndoSpace), is developing an industrial and logistics park in Narsapura, Bengaluru, with a total leasable area of 1.02 million square feet (msf), spread across six warehouse units. The assigned rating reflects the favourable sponsor profile, considering the established track record of IndoSpace in the industrial warehousing and logistics space in India. The rating draws comfort from the project's favourable location in the Narsapura micro-market and good connectivity to Chennai, Tirupati and the Hoskote-Malur industrial area, along with adequate leverage and debt coverage metrics estimated from the project. The funding risk remains low as the entire debt requirement has been tied up and nearly 87% of the committed equity requirement has been infused as on March 31, 2026, for a budgeted debt-to-equity ratio of 58:42 for the project. 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 an intermediate stage, with 53% of the total project cost incurred as on March 31, 2026. Nonetheless, the construction is expected to be completed in a phased manner (block-wise) within the scheduled date of commencement of commercial operations (DCCO) of April 1, 2030, given the sponsor's extensive experience in the warehousing space. The company is exposed to market risk, as there are no pre-leasing tie ups as on date. Hence, its ability to achieve leasing on time and at adequate rental rates will be the key rating monitorable. Nevertheless, ICRA derives comfort from the demonstrated ability and track record of IndoSpace to lease and execute projects on time. The company is exposed to high geographical and asset concentration risks, which are inherent in a single project portfolio.

The Stable outlook reflects ICRA's opinion that the company will benefit from the extensive experience of its sponsor (IndoSpace) in the warehousing space, which is expected to enable it 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 – IPNPL-II is a wholly-owned subsidiary of ILP IV Ventures I Pte. Ltd. (a 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 across the world. At present, it manages assets worth over USD 7 billion. It operates some of the largest and most modern facilities in North America and other parts of the world. Everstone Capital is a prominent India-focussed investment firm. The Everstone Group manages funds of over

[1] *ILP IV Ventures I Pte. Ltd., Singapore (a part of the IndoSpace network, which is sponsored by Realterm Global, Everstone Capital and GLP Global)*

USD 5 billion in private equity and real estate. GLP Global is an investment firm, with over USD 100 billion assets under management across multiple asset classes including real estate, private equity segments and infrastructure. At present, the network has 50+ Grade-A parks spread across the country. The strong financial profile of the sponsors provides exceptional financial flexibility to the asset.

Favourable project location – The project is located on the land parcel admeasuring about 41 acres in Narsapura, which is close to Bengaluru, off Old Madras Road (Bengaluru – Tirupati - Highway NH 75). It offers excellent connectivity to Chennai, Tirupati and Hoskote-Malur industrial area. The site is in proximity to Bengaluru International Airport (~55 km), Malur Railway Station (~15 km) and the upcoming Chennai-Bengaluru industrial corridor with connectivity to the Chennai Port.

Low funding risk; adequate debt protection metrics – The project's funding risk is low as the debt requirement has been tied up and nearly 87% of the committed equity requirement has already been infused as on March 31, 2026. The budgeted project cost of Rs. 345.2 crore is estimated to be funded by a debt-to-equity ratio of 58:42. Further, comfort is derived from the adequate leverage and debt service coverage ratio estimated from the project.

Credit challenges

Exposure to project execution risk – The project is at an intermediate stage, having incurred 53% of the total project cost as on March 31, 2026. It has a total leasable area of 1.02 msf spread over six blocks, out of which three are under construction as on date. Nevertheless, the construction is expected to be completed in a phased manner (block-wise) within the scheduled DCCO of April 01, 2030, given the extensive experience of the sponsor in the warehousing space.

Exposure to market risk – The pre-leasing tie-up is nil as on date. The company's ability to achieve leasing on time and at adequate rental rates will remain critical from the credit perspective. However, the experience of its promoter to lease projects on time offers comfort.

Geographical and asset concentration risks – The company is exposed to high geographical and asset concentration risks inherent in single project companies. However, comfort is drawn from IndoSpace's diverse portfolio of logistics and industrial parks, including developed and under-development parks, across India.

Liquidity position: Adequate

The company's liquidity position is adequate with Rs. 3.9 crore of cash and liquid investments and Rs. 125 crore of undrawn bank limits as on March 31, 2026. These, along with the balance equity commitment (including any internal accruals), will be adequate to fund the remaining project cost of Rs. 163.8 crore as of March 2026.

Rating sensitivities

Positive factors – Significant progress in leasing at adequate rentals and mitigation of the refinancing risk associated with the CF loan resulting in an improvement in debt protection metrics could lead to a rating upgrade.

Negative factors – Negative pressure on the rating could emerge in case of significant delays or cost overrun in project completion and/or considerable delays in lease tie-ups at inadequate rental rates, or any significant increase in indebtedness weakening the debt protection metrics on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Leasing
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Indospace Park Narsapura II Private Limited (IPNPL-II) is an SPV of the IndoSpace Group. IPNPL-II is developing an industrial warehousing park on the freehold land parcel admeasuring about ~41 acres, held by the company, located at Alahalli Village, Narsapura, Bengaluru. It is developing six warehousing blocks on the said parcel of land with a total leasable area of 1.02 msf.

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

	Current rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Jun 04, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based - Term loan	Long Term	200.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)

9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Term loan**	FY2026	NA	FY2031	200.00	[ICRA]BBB+ (Stable)

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis – Not applicable

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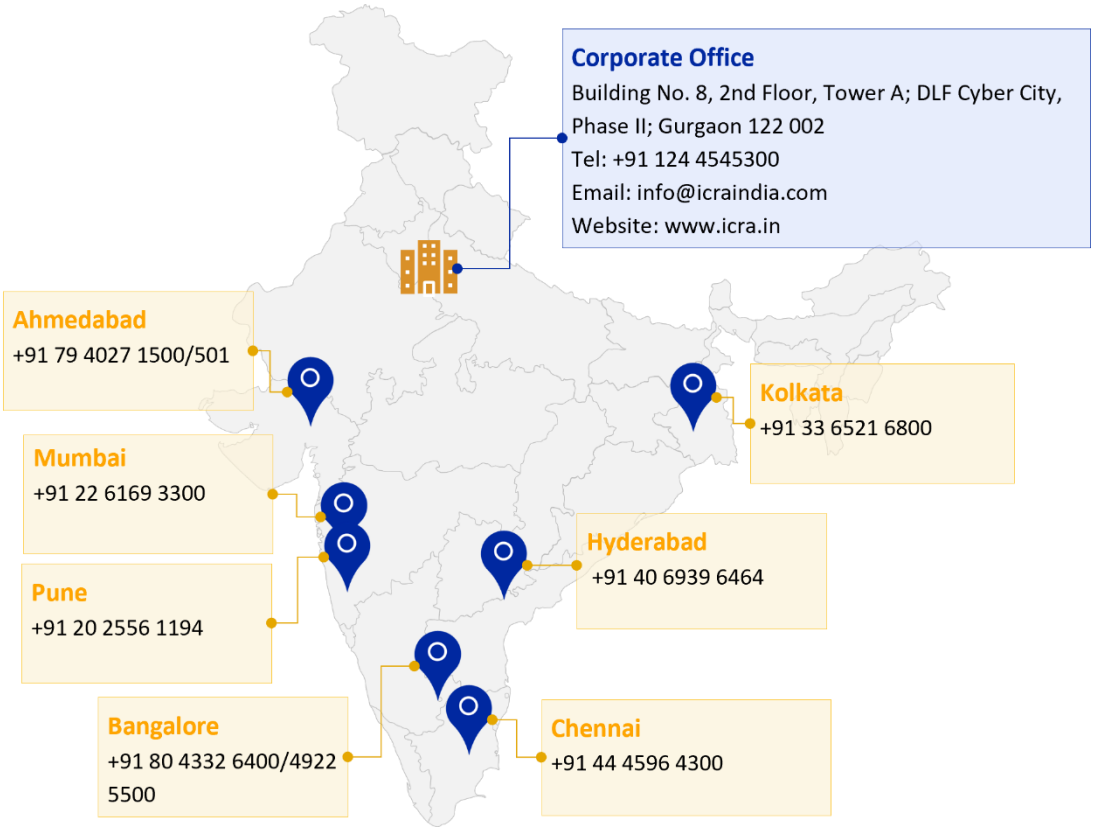

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