July 16, 2026

WOLP II Hoskote Private Limited: [ICRA]BBB+ (Stable)/ [ICRA]A2; Assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term fund-based – Term loan	180.00	[ICRA]BBB+ (Stable); Assigned	RBI
Short-term -Interchangeable- Letter of Credit	(100.00)	[ICRA]A2; Assigned	RBI
Short-term - Interchangeable - Bank Guarantee	(10.00)	[ICRA]A2; Assigned	RBI
Total	**180.00**		

**Instrument details are provided in Annexure I*

#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.

Rationale

The assigned rating for WOLP II Hoskote Private Limited (WHPL) factors in the strong sponsor profile, along with the favourable location of the asset at Hoskote, Karnataka, with pre-leasing for about 10% area (including LOI) as of June 2026. WHPL, a special purpose vehicle (SPV), is sponsored by the Welspun One Logistics Parks (WOLP) Fund II, anchored by promoters of the Welspun Group. It is developing an industrial and logistics park in Hoskote, near Bengaluru, with a total leasable area of 0.97 million square feet (msf), spread across five warehouse units. As of March 2026, WOLP had an area under management of around 15.5 msf (including WOLP Fund I, WOLP Fund II, and a project where WOLP is acting as the development manager, or DM).

The budgeted project cost is Rs. 285.2 crore, which is expected to be funded by debt of Rs. 180 crore and the balance via promoter contribution/internal accruals and security deposits. The funding risk remains low as the entire debt requirement has been tied up and nearly 95% of the committed equity requirement has been infused as on March 31, 2026. The rating draws comfort from the project's favourable location in Hoskote, which is an established warehousing market with good connectivity that is likely to enhance its marketability, along with adequate debt protection metrics estimated from the project.

The rating is, however, constrained by the project's exposure to execution risks with around 77% of the total cost yet to incurred as on March 31, 2026. Nonetheless, the construction is expected to be completed within the scheduled date of commencement of commercial operations (DCCO) of October 2029. The company is also exposed to market risk, as 90% of the area is yet to be leased as of June 2026. Hence, its ability to achieve leasing on time and at adequate rental rates will be the key rating monitorable. However, ICRA derives comfort from the demonstrated ability and track record of WOLP to execute projects and achieve healthy leasing on time at its other parks. The construction finance (CF) loan availed for the project has a bullet repayment falling due in FY2030, exposing it to refinancing risks. Nevertheless, this is a sufficient timeline for completing and leasing the project, 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. WHPL 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 the 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 suitable rental rates.

Key rating drivers and their description

Credit strengths

Part of warehousing fund backed by a strong sponsor – WHPL is sponsored by WOLP Fund II, which is promoted by the Welspun Group. The fund focuses on the development of Grade-A warehousing and logistics parks across India. As of March 2026, WOLP managed approximately 15.5 msf of warehousing and logistics assets, including projects under WOLP Fund I, WOLP Fund II, and a project where WOLP acts as the DM.

Favourable project location – The project is located at Hoskote in East Bengaluru, Karnataka, and benefits from strong connectivity to National Highway 75 (Old Madras Road) along with access to key arterial roads such as STRR and the Outer Ring Road. The micro-market is an established logistics and industrial hub, supported by its proximity to key nodes including Malur (about 5 km), Hoskote town (around 15 km) and Narsapura Industrial Area (approximately 18 km), with access to demand centres such as Bengaluru Central Business District (CBD) (roughly 45 km), which enhances its marketability. Further, connectivity to the Kempegowda International Airport (about 55 km) supports efficient cargo movement, underpinning the location's suitability for logistics, warehousing and industrial occupants.

Low funding risk – The project's funding risk is low as the debt requirement has been tied up and nearly 95% of the committed equity requirement has already been infused as on March 31, 2026. The budgeted project cost of Rs. 285.2 crore is estimated to be funded by a debt-to-equity ratio of 1.71:1.

Credit challenges

Exposure to project execution and market risks – The asset is exposed to execution and market risks, given the early stage of construction with almost 90% of the leasable area yet to be tied up. The company's ability to complete the project within the scheduled DCCO and achieve timely leasing at adequate rental rates will be a key monitorable. Nevertheless, the risk is partially mitigated by the established track record of WOLP in executing warehousing assets and achieving healthy occupancy rates across its operational portfolio.

Exposure to refinancing risks – The company remains exposed to refinancing risk arising from the bullet repayment structure of the construction finance facility. While the project has adequate time for completion, leasing and stabilisation before the debt maturity, WHPL's refinancing ability would be contingent upon timely execution of the project and achievement of the envisaged leasing levels at adequate rental rates. Any material delays in project completion or leasing could adversely impact the company's ability to refinance the debt.

Geographical and asset concentration risk – The company is exposed to high geographical and asset concentration risks inherent in single-asset special purpose vehicles.

Liquidity position: Adequate

The company's liquidity position is adequate with Rs. 12.8 crore cash and liquid investments and Rs. 165 crore of undrawn bank limits as on March 31, 2026, which along with the pending sponsors' contribution and security deposits/internal accruals will be adequate to fund the remaining project cost of around Rs. 219 crore as of March 2026. The CF loan has a bullet repayment falling due in FY2030, which is expected to be refinanced through an LRD loan.

Rating sensitivities

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

Negative factors – Material cost overruns or unforeseen delays 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 - Leasing
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

WOLP II Hoskote Private Limited (erstwhile WOLP II Warehouse XI Private Limited) was incorporated on October 26, 2023. The company is an SPV part of the WOLP Fund II. It has leased nearly 53 acres of land at Irabanhalli Village, Malur Taluk, Kolar District, Karnataka, for 45 years. The company will be developing a warehouse park consisting of five warehouse boxes with a leasable area of 0.97 msf.

Key financial indicators (audited): Not applicable since this 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)	July 16, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long-term	180.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-
Interchangeable- Letter of Credit	Short-term	(100.00)	[ICRA]A2	-	-	-	-	-	-
Interchangeable - Bank Guarantee	Short-term	(10.00)	[ICRA]A2	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Term loan	Simple
Short-term -Interchangeable- Letter of Credit	Simple
Short-term - Interchangeable - Bank Guarantee	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	Financial sector regulator#
NA	Term loan	FY2026	NA	FY2030	180.00	[ICRA]BBB+ (Stable)	RBI
NA	Interchangeable- Letter of Credit	NA	NA	NA	(100.00)	[ICRA]A2	RBI
NA	Interchangeable - Bank Guarantee	NA	NA	NA	(10.00)	[ICRA]A2	RBI

Source: Company

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

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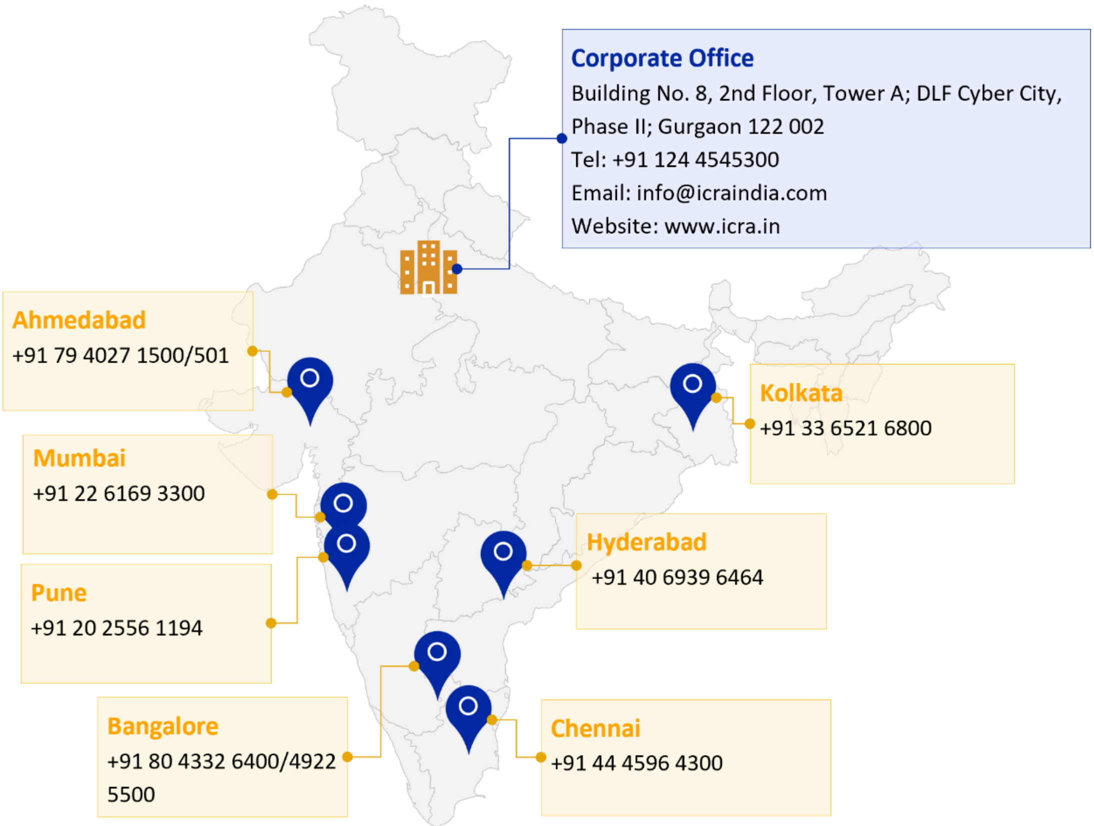

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