

December 11, 2025

Indospace Chittoor Private Limited: [ICRA]BBB (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based – Term Loan	175.00	[ICRA]BBB (Stable); assigned
Total	175.00	

*Instrument details are provided in Annexure I

Rationale

The rating assigned to Indospace Chittoor Private Limited (ICPL) factors in the healthy occupancy level of its warehousing asset at 100% and adequate debt coverage metrics. The company operates a warehouse of 6.9 lakh square feet (lsf) in Ecobox Sri City, favourably located inside the Domestic Tariff Zone (DTZ) of Sri City, which is an integrated business city in Chittoor District, Andhra Pradesh, and the asset has a reputed tenant profile. Ecobox Group acquired the asset in November 2024 from the Indospace Group. The rating takes into account ICPL's strong parentage through the Singapore-based fund house sponsor – Rava Partners, the real estate arm of Hillhouse Investments, with an established track record in acquiring and managing warehousing spaces. The debt coverage metrics are likely to remain adequate, with 5-year average debt-service coverage ratio (DSCR) of 1.27-1.30 times in FY2026-FY2030, supported by scheduled rental escalations and back-ended repayment schedule for the lease rental discounting (LRD) loan.

The rating, however, is constrained by the high leverage with total external debt to net operating income (NOI) to be 8.45-8.80 times as of March 2026 and March 2027 (6.95 times as of March 2025) due to an increase in debt. The scale of operations is moderate, with high tenant concentration risk as the entire area is leased to only three tenants. 44% of the area is occupied by a single tenant, and consequently there is exposure to vacancy risk in case of any vacancy or non-renewal for the same. Any significant weakening in the credit profile or business operations of the tenants, resulting in a reduction in occupancy or delays in rent receipts, may impact ICPL's cash flows. Nonetheless, the risks are partly mitigated by the asset's competitive rental rates and its established track record and relationship with existing tenants. Further, the debt coverage metrics remain sensitive to any significant rise in indebtedness, changes in interest rates and material reduction in occupancy levels. It is also exposed to high geographical and asset concentration risks inherent in single-project companies.

The Stable outlook on the rating reflects ICRA's opinion that ICPL will continue to benefit from healthy occupancy levels along with favourable location of the project while maintaining adequate debt coverage metrics.

Key rating drivers and their description

Credit strengths

Adequate coverage metrics – Ecobox Group acquired the asset in November 2024 from the Indospace Group. The debt coverage metrics are likely to remain adequate, with 5-year average DSCR of 1.27-1.30 times in FY2026-FY2030, supported by scheduled rental escalations and back-ended repayment schedule for the LRD loan.

Favourable project location – The company operates a 6.9 lsf warehouse in Ecobox Sri City, located inside the DTZ of Sri City, which is an integrated business city in Chittoor District, Andhra Pradesh, and has ready access to infrastructure such as roads, power and telecom, enhancing its marketability. The asset is located off the National Highway 16 that connects Chennai (~67 km) to Kolkata and has easy access to air, sea and railway hubs.

Established track record of sponsor group – The rating derives comfort from the group’s strong parentage through Rava Partners, the real estate arm of Singapore-based Hillhouse investments with an established track record in acquiring and managing warehousing spaces. The group has incorporated the Ecobox platform for developing its warehousing portfolio in India with a committed fund of ~USD 200 million for acquisition of both operational and under-construction commercial warehousing assets in India. Currently, Ecobox Group’s portfolio spans ~3.5 million square feet (msf) across Pune (Maharashtra) and Sri City (Andhra Pradesh) and an under-construction portfolio of ~1.56 msf across Chennai and Mumbai.

Credit challenges

High leverage indicators – The rating is constrained by the high leverage, with total external debt to net operating income (NOI) to be 8.45-8.80 times as of March 2026 and March 2027 (6.95 times as of March 2025) due to an increase in debt.

Exposure to tenant concentration risk and vacancy risk – The company has a moderate scale of operations with high tenant concentration risk as the entire area is leased to only three tenants. 44% of the area is occupied by a single tenant, and consequently there is exposure to vacancy risk in case of any vacancy or non-renewal for the same. Any significant weakening in the credit profile or business operations of the tenants, resulting in a reduction in occupancy or delays in rent receipts, may impact ICPL’s cash flows. Nonetheless, the risks are partly mitigated by the asset’s competitive rental rates and its established track record and relationship with existing tenants.

Geographical and asset concentration risks; debt coverage metrics exposed to interest rate volatility – ICPL is exposed to high geographical and asset concentration risks inherent in single-project companies. Further, the debt coverage metrics remain sensitive to any significant rise in indebtedness, changes in interest rates and material reduction in occupancy levels.

Liquidity position: Adequate

As of March 2025, the company had free cash and a bank balance of around Rs. 4.0 crore. The debt repayment obligations (P+I) of Rs. 13.1 crore in FY2026 and Rs. 14.8 crore in FY2027 are expected to be adequately met by the cash flow from operations.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings in case of significant increase in rental income, along with material decline in debt levels leading to improvement in leverage and coverage metrics on sustained basis.

Negative factors – Pressure on the rating could arise if there is a sustained vacancy or any additional indebtedness, resulting in weakening of debt protection metrics and liquidity. Any non-adherence to debt structure will be credit negative.

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 Chittoor Private Limited was established on 30 January 2014. The company was part of Indospace Group till October 2024. In November 2024, Ecobox Group, through Ecobox Industrials Asset II Private Limited, acquired the asset from Indospace Group. ICPL now operates as a special purpose vehicle (SPV) of the Ecobox Group, India’s prominent developer and operator

of industrial and logistics real estate. Further, the parent company, Ecobox Industrials Asset II Private Limited, was merged with Indospace Chittoor Private Limited and as of September 2025 the company is now a subsidiary of Ecobox Asset II Pte. Ltd.

The company has acquired an industrial and logistics park, Ecobox Sri City, on approximately 29.6 acres of land, with a total leasable area of around 6.9 Isf, comprising three blocks inside the DTZ of Sri City, which is an integrated business city in Chittoor district of Andhra Pradesh. The asset is fully leased, and rentals have fully commenced. ICPL owns the leasehold rights on a long-term lease of 99 years from Sri City Private Limited for development of the project.

Key financial indicators (audited)

ICPL (standalone)	FY2024	FY2025
Operating income	-	7.9
PAT	-	-11.8
OPBDIT/OI	-	56.3%
PAT/OI	-	-148.7%
Total outside liabilities/Tangible net worth (times)	-	1.3
Total debt/OPBDIT (times)	-	30.2
Interest coverage (times)	-	0.7

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Dec 11, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long term	175.00	[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	Fund-based – Term loan	FY2026	8.20%	FY2041	175.00	[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

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Sweta Shroff

+91 124 454 5307

sweta.shroff@icraindia.com

Siddhartha Sharma

+91 124 454 5327

siddhartha.sharma@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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ICRA Limited



Registered Office

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

Tel: +91 11 23357940-45



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