Press Release

ECOBOX INDUSTRIALS ASSET I PRIVATE LIMITED

January 31, 2025

Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	255.00	ACUITE BB+ | Stable | Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	255.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of **'ACUITE BB+' (read as ACUITE Double B plus)** on the Rs.255.00 Cr. Non-Convertible Debentures (NCD) of Ecobox Industrials Asset I Private Limited (EIAPL-I). The outlook is **'Stable'**.

Rationale for rating

The rating reaffirmation takes into account the strong parentage of the company through Rava Partners, Singapore based fund house reputed for its real assets business spanning across warehousing, logistics and supply chain sectors. The rating also factors in the successful acquisition of KVR Industrial Park Private Limited by EIAPL-I in November 2024 and adequacy of cashflows from the warehoused asset. However, rating is constrained by the funding risk towards timely raising of fresh NCDs of Rs.105.00 Cr. by EIAPL-I for acquisition of another warehouse - 'RVK industrial Park Private Limited' at Ranjangaon and refinancing of the current outstanding NCDs of Rs.135.31 Cr. within next 1-1.5 years. Further, the rating also considers the fact that timely receipt of cash inflows from the warehouse lessees shall be crucial for debt servicing.

About the Company

Incorporated in July 2024, Ecobox Industrials Asset I Private Limited (EIAPL-I) is a new investment venture of Rava Partners. It is a special purpose vehicle formed for acquiring warehousing asset at Ranjangaon, Pune. The company is currently managed by Mr. Abhay Goyal and Mr. Ashish Shah.

About the Group

EIAPL-I group includes the acquired warehouse of KVR Industrial Park Pvt Ltd & to be acquired warehouse of RVK Industrial Park Pvt Ltd from Indospace Group. Both these warehouses are situated at Ranjangaon, Pune.

Unsupported Rating

Not Applicable.

Analytical Approach

Extent of Consolidation

•Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated the business and financial risk profiles of Ecobox Industrials Asset I Private Limited and its wholly-owned subsidiary namely, KVR Industrial Park Private Limited and to be acquired subsidiary namely, RVK Industrial Park Private Limited to arrive at the rating. The consolidation is in view of the common management and fungibility of cashflows.

Key Rating Drivers

Strengths

Strong Parentage of Ecobox group:
EIAPL – I is a part of Ecobox group of entities, which is promoted by Rava Partners (RP), a Singapore based fund house. RP is known for building real asset platforms in growth sectors of Asia's economy such as education, logistics / industrial, life sciences / healthcare, digital infrastructure and other specialized asset classes. Since launch of its real assets business, RP has committed more than USD $2 billion to real asset businesses spanning across warehousing, logistics, and supply chain sectors. RP is in turn established by Hillhouse Investment (Hillhouse) together with senior management of Rava. Hillhouse is a global alternative investment management firm with a range of investment strategies that span across public equities, private equity (across buyout, venture capital and growth strategies), private credit and real assets. The firm manages capital for global institutions, including non-profit foundations, endowments, and pensions. Based in Singapore, the global investment firm has an international team working in offices at Mumbai, London, New York, Sydney, Hong Kong, Beijing, Shanghai, and Amsterdam.
Ecobox group had acquired three warehousing assets in November 2024, one at Pune and other two in Andhra Pradesh from Indopsace group with asset size of 12.70/6.98/2.58 lakh sq ft at an acquisition value of Rs. 300.11 Cr./Rs. 167.15 Cr./Rs.50.53 Cr. and housed these assets under its SPV's EIAPL-I/Ecobox Industrials Asset II Private Limited (EIAPL-II)/Ecobox Industrials Asset III Private Limited (EIAPL-III) respectively. Currently, the group is in the process of acquiring one more operational industrial warehousing assets at Ranjangaon, Pune, to be housed under the existing SPV of EAIPL-I, with total asset size of ~13.10 lakh sq ft. These acquisitions are done through a mix of NCDs and Equity/Compulsory Convertible Debentures (CCD) infusion.

Adequacy of operational cashflow from warehouses acquired/ to be acquired:
The warehouse assets acquired by the EIAPL-I in November 2024 has lease tie ups with reputed names such as Whirlpool, Jabil, Haier, etc. The cashflows have also started flowing for this asset. Further, the new asset to be acquired has a leaseable area of ~13.10 lakh sq ft with lease tie ups with Yazaki, Motherson, Jabil, Haier etc. Therefore, post-acquisition EIAPL-I is estimated to generate DSCR in the range of 1.30 – 1.35 times on a consolidated basis.
Acuite believes that lease tie ups with reputed names with minimal vacant space shall provide adequate cash flows to the SPV for its debt servicing.

Weaknesses

Funding Risk:
The proposed transaction i.e. purchase of additional warehousing asset by EIAPL – I is currently under process with pending infusion of both debt and equity funding. The acquisition is estimated to cost around ~Rs. 305.20 Cr. which is to be funded by equity or CCD to the tune of Rs. 200.20 Cr. and balance vide issue of listed non convertible debentures. Acuité believes that the timely completion of the proposed acquisition without any material change in the capital structure and committed equity and debt will be a key rating monitorable. Further, the existing outstanding NCD of Rs.135.31 Cr. is also expected to refinanced within 1-1.5 yrs.
Acuité believes that the timely completion of the proposed acquisition without any material change in the capital structure and committed equity and debt along with timely refinancing of the existing debt shall be key rating sensitivity.

Dependency on warehouse receipts and vacant space tie ups for debt servicing:
The servicing of debt obligations of the SPV is dependent on timely and adequate receipt of cashflows from the warehoused assets. Further, the tie up of vacant space of the earlier acquired asset (~93,000 sq ft) and of the asset to be acquired (~2,00,000 sq ft) along with retained occupancy of the warehouse shall be a key rating sensitivity.

Rating Sensitivities

Timely completion of proposed acquisition without any material change in the capital structure and committed equity and debt.
Retained occupancy of warehouses and timely leasing out of the vacant space.

All Covenants

- The ratio of the Net Debt/ TTM NOI (Net Operating Income) of the Obligors (on a consolidated basis) shall, at all times until March 31, 2025 be less than or equal to 8.5x and thereafter until the Final Settlement Date, be less than or equal to 8.25x
- The LTV (Loan to Value) Ratio of the Obligors shall not, at any time till the Final Settlement Date, exceed the Required LTV Ratio of 65%
- The Debt Service Coverage Ratio of the Obligors (on a consolidated basis) shall, at all times until the Final Settlement Date, be equal to or greater than 1.1x

Liquidity Position

Adequate
The liquidity position is marked adequate basis the strong parentage of EIAPL-I and expected support from them in case of any exigencies. Further, post completion of proposed acquisition liquidity is estimated to remain adequate

marked by sufficient net cash accruals of Rs.72.7 Cr. in FY26 against repayment obligations of Rs.53.6 Cr. for the same period. Post acquisition, on a consolidated basis, EIAPL-I is estimated to generate DSCR in the range of 1.30-1.35 times.

Outlook: Stable

Other Factors affecting Rating
None.

Key Financials (Standalone)
The company is incorporated on July 31, 2024, and acquired KVR Industrial Park Private Limited as its wholly-owned subsidiary on November 28, 2024. Further, EIAPL-I is in the process of acquiring RVK Industrial Park Private Limited. Hence, financial statements for the previous years are not available.

Status of non-cooperation with previous CRA (if applicable)
Not Applicable.

Any Other Information
None.

Applicable Criteria
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Consolidation Of Companies: https://www.acuite.in/view-rating-criteria-60.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
• Rating Process and Timeline: https://www.acuite.in/view-rating-criteria-67.htm
• Real Estate Entities: https://www.acuite.in/view-rating-criteria-63.htm

Note on complexity levels of the rated instrument
In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 Jan 2025	Non-Covertible Debentures (NCD)	Long Term	128.00	ACUITE BB+ | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	14.69	ACUITE BB+ | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	100.00	ACUITE BB+ | Stable (Assigned)
	Proposed Non Convertible Debentures	Long Term	5.00	ACUITE BB+ | Stable (Assigned)
	Non-Covertible Debentures (NCD)	Long Term	7.31	ACUITE BB+ | Stable (Reaffirmed)
04 Oct 2024	Proposed Non Convertible Debentures	Long Term	128.00	ACUITE BB+ | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	22.00	ACUITE BB+ | Stable (Assigned)
11 Sep 2024	Proposed Non Convertible Debentures	Long Term	128.00	ACUITE BB+ | Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE12W708011	Non-Convertible Debentures (NCD)	27 Nov 2024	10.15	06 Feb 2029	128.00	Simple	ACUITE BB+ | Stable | Reaffirmed
Not Applicable	INE12W708011	Non-Convertible Debentures (NCD)	27 Nov 2024	10.15	06 Feb 2029	7.31	Simple	ACUITE BB+ | Stable | Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.69	Simple	ACUITE BB+ | Stable | Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	100.00	Simple	ACUITE BB+ | Stable | Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB+ | Stable | Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company Name
1	Ecobox Industrials Asset I Private Limited
2	KVR Industrial Park Private Limited
3	RVK Industrial Park Private Limited

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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