Press Release

ECOBOX INDUSTRIALS ASSET III PRIVATE LIMITED

January 31, 2025

Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	25.00	ACUITE BB+ | Stable | Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs.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.25.00 Cr. Non-Convertible Debentures (NCD) of Ecobox Industrials Asset III Private Limited (EIAPL-III). 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 Indospace Chittoor II Private Limited by EIAPL-III in November 2024 and adequacy of cashflows from the warehoused asset. The reaffirmation considers there shall be no significant impact on the business and financial risk profile of the company from the recent announcement by the company on January 22, 2025 for amalgamation of 'EIAPL-III' with its wholly-owned subsidiary 'Indospace Chittoor II Private Limited'. The amalgamation is yet under process and is expected to be completed in the next 4-6 months. Further, the rating also considers the fact that timely refinancing of existing NCDs and adequate receipt of cash inflows from the warehouse lessees shall be crucial for debt servicing.

About the Company

Ecobox Industrials Asset III Private Limited (EIAPL-III) incorporated in July, 2024, is a new investment venture of Rava Partners. A special purpose vehicle formed for the purpose of acquiring a warehousing asset at Sri City, Andhra Pradesh. The company is currently managed by Mr. Abhay Goyal and Mr. Ashish Shah.

About the Group

EIAPL-III group includes the acquired warehouse of Indospace Chittoor II Private Limited from Indospace Group which is situated at Sri City, Andhra Pradesh.

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 III Private Limited and its wholly-owned subsidiary namely, Indospace Chittoor II 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 – III 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:
The warehouse asset acquired by the EIAPL-III in November 2024 has lease tie ups with reputed names such as McWane India, Flyjac Logistics Pvt Ltd, Boxman etc. The cashflows have also started flowing for this asset. Therefore, EIAPL-III is estimated to generate DSCR in the range of 1.25 – 1.30 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

Dependency on warehouse receipts 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 any vacant space of the acquired asset along with retained occupancy of the warehouse shall be a key rating sensitivity.

Refinancing of NCDs
The existing outstanding NCD of Rs. 17.65 Cr. is expected to refinanced within 1-1.5 yrs. Acuité believes that timely refinancing of the existing debt at favourable rate of interest shall be key rating sensitivity.

Rating Sensitivities

- Further material change in the capital structure and committed equity and debt.
- Retained occupancy of the warehouse and receipt of adequate rentals to maintain the DSCR.
- Timely refinancing of the NCDs.

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-III and expected support from them in case of any exigencies. Further, the liquidity is estimated to remain adequate marked by sufficient net cash accruals of Rs. 6.41 Cr. in FY26 against repayment obligations of Rs. 4.92 Cr. for the same period. On a consolidated basis, EIAPL-III is estimated to generate DSCR in the range of 1.25-1.30 times.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials (Standalone)

The company is incorporated on July 31, 2024, and further acquired Indospace Chittoor II Private Limited as its wholly-owned subsidiary on November 06, 2024. Hence, financial statements for the previous year 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
03 Oct 2024	Proposed Non Convertible Debentures	Long Term	25.00	ACUITE BB+ | Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	37.00	ACUITE Not Applicable (Withdrawn)
11 Sep 2024	Proposed Non Convertible Debentures	Long Term	62.00	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	INE12W808019	Non-Convertible Debentures (NCD)	05 Nov 2024	10.15	05 Feb 2029	17.65	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.	7.35	Simple	ACUITE BB+ | Stable | Reaffirmed

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

Sr. No.	Company name
1	Indospace Chittoor II Private Limited
2	Ecobox Industrials Asset III Private Limited

Contacts

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About Acuité Ratings & Research

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