

Press Release
PHOENIX IT CITY PRIVATE LIMITED
January 13, 2026
Rating Assigned



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	200.00	ACUITE BBB Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	200.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE BBB**' (read as **ACUITE Triple B**) on the Rs.200.00 crore bank facilities of Phoenix IT City Private Limited (PITCPL). The outlook is '**Stable**'.

Rationale for Rating

The rating assigned reflects the company's experienced promoters and strong parentage. The rating also factors in the reputed lessee profile comprising leading IT companies and long-term lease agreements, with approximately 81 per cent occupancy, which mitigates offtake risk and provides revenue visibility over the near to medium term. Additionally, the rating draws strength from the company's adequate cash flow position, supported by surplus lease rentals sufficient to service debt obligations under the loan against property (LAP), as indicated by an average debt service coverage ratio (DSCR) of 1.37 times until March 2027 and groups track record of monetisation of assets and refinancing ability which supports liquidity. However, the rating is constrained by uncertainties related to timely renewal of lease agreements and occupancy of vacant spaces. Furthermore, the rating considers the company's exposure to the inherent cyclical nature of the real estate sector.

About the Company

Hyderabad Based, Phoenix IT City Private Limited (PITCPL) was Incorporated in 2008. The company is engaged in development and construction of residential and commercial properties. The Current Directors of the Company are Mr. Jagadeesh Babu Ramanathan and Mr. Aakash Chukkapalli.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered standalone business and financial risk profile of PITCPL to arrive at rating.

Key Rating Drivers

Strong promoter group and established track record of operations

PITCPL was incorporated in 2008, headquartered in Hyderabad, is owned by Phoenix Infratech (India) Private Limited, which holds a 100 per cent stake. The entities are together referred to as Phoenix Group. The group specializes in the development of IT/ITES Special Economic Zones, retail malls, residential and commercial complexes, automobile dealerships, and educational infrastructure. The group has developed and delivered around 24msf of mixed use-spaces and has around 24 msf (Million Square feet) of ongoing projects in various stages of development in Hyderabad, Telangana.

Low execution & offtake risk

The project Equinox has completed the construction with a total leasable area of ~2.88 million SFT. As per the JDA with the landowners they have successfully completed their obligation towards landowners. Out of the total leasable area, 2.21 million SFT belongs to PITCPL. Out of the total space the company confirms overall occupancy level of around 81 per cent, with rental being commenced for ~30 per cent.

Adequate cashflow position

Project Equinox has a leasable area of 2.88 million SFT with overall occupancy of 81 per cent. Additionally, the adequate cashflow is supported by surplus lease rentals sufficient to service debt obligations under the loan against property (LAP), as indicated by an average debt service coverage ratio (DSCR) of 1.37 times until March 2027. Acuite believes, the debt coverage would remain adequate for the medium to long term on account of steady cash flows from lease rolls. Further for the LAP loan the repayment of principal due on March 2026 would be done through sales proceeds of selected floors of Phoenix Financial District Private Limited (PFDPL) wherein the negotiations are in the final stage and rest through converting it to Lease rental discounting facilities before March 2027.

Weaknesses

Exposure to inherent cyclical in the real-estate industry

Being a cyclical industry, the real estate is highly dependent on macro-economic factors which make the company's sales vulnerable to any downturn in the real-estate demand and competition within the region from various established developers.

Rating Sensitivities

- Movement in occupancy levels
- Changes in cash flow position leads to stretch in liquidity
- Timely monetization of group assets and refinancing

Liquidity Position

Adequate

The liquidity position of the company is marked adequate basis sufficient net cash accruals against repayment obligations. The average debt service coverage ratio (DSCR) for the loan against property stands at ~1.37 times, supported by surplus lease rentals from Equinox. Further the occupancy rate of the project is ~81 per cent and with rental commencement of around 70 per cent, the company is estimated to generate significant inflows and further support the liquidity. Further, the company has an unencumbered cash and bank balance of Rs.105 crores.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	56.10	11.91
PAT	Rs. Cr.	4.60	0.40
PAT Margin	(%)	8.21	3.33
Total Debt/Tangible Net Worth	Times	649.59	(1918.12)
PBDIT/Interest	Times	0.04	0.01

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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 : Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Federal Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	26 Mar 2027	200.00	Simple	ACUITE BBB Stable Assigned

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Akshat Shah Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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