



**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Total Withdrawn Quantum (Rs.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 cyclicity 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**

Acuite 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](http://www.acuite.in).

**Rating History : Not Applicable**

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
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	<b>Contact details exclusively for investors and lenders</b>
Akshat Shah Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

**Note:** None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.