

Intelligent Supply Chain Infrastructure Trust

September 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Issuer rating	-	CARE AAA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Issuer rating assigned to Intelligent Supply Chain Infrastructure Trust (ISCIT; an infrastructure investment trust [InvIT]) derives significant comfort from its sole special purpose vehicle (SPV), Intelligent Supply Chain Infrastructure Management Private Limited (ISCIMPL or warehouse SPV), which has a strong credit profile due to a warehouse use agreement (WUA) for 30 years with anchor tenant, Reliance Retail Ventures Limited (RRVL; rated 'CARE AAA; Stable/CARE A1+'). The WUA significantly de-risks the business model of warehouse SPV and provides stable annuity like cash flows adequate for servicing of InvIT's consolidated debt obligations.

Issuer rating is further underpinned by strategic importance of warehouse SPV's operations for RRVL, geographically well-distributed high-quality warehouse asset base, and growing demand for warehousing services in India.

Issuer rating also draws comfort from ISCIT's consolidated net borrowings (including lease liabilities) at 44% of enterprise value of assets as on March 31, 2025, which can go up to a maximum of 70% per Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014.

The above rating strengths largely offset the risk associated with warehouse SPV's expansion plan and competition from other organised players in warehousing sector.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

Negative factors

- Any Change in the strategic importance of ISCIT's assets to RRVL and/or any material changes in the WUA with RRVL adversely impacting cash flows of warehouse SPV and ISCIT.
- Consolidated net external debt/PBILDT exceeding 5x on a sustained basis.
- Deterioration in the credit risk profile of RRVL.

Analytical approach: Consolidated

For arriving at the rating of ISCIT, CARE Ratings Limited (CareEdge Ratings) has considered a consolidated analytical view of ISCIT and its sole SPV, ISCIMPL. ISCIMPL's strong operational linkages with RRVL have also been considered.

Entities consolidated in ISCIT are listed in **Annexure-6**.

Outlook: Stable

The 'stable' outlook on the rating reflects expectation that the warehouse assets of ISCIMPL shall remain strategically important for RRVL's operations and its long-term WUA with RRVL shall result in steady annuity-like cash flows, leading to a sustained strong credit profile of ISCIT on a consolidated basis.

Detailed description of key rating drivers

Key strengths

ISCIMPL's WUA with RRVL as an anchor tenant, assuring stable and annuity-like cash flows

ISCIMPL has executed a WUA with its anchor tenant, RRVL, for a tenure of 30 years, thus providing assured revenue visibility. Per terms of WUA, ISCIMPL will provide warehousing services on a non-exclusive basis to RRVL. RRVL has to pay fixed monthly warehouse usage fees and monthly base fees for using contracted warehouse area. RRVL has committed to utilise 60-80% of warehouse capacity during the tenure of WUA. ISCIMPL also has a right of first offer for any future warehouse capacity requirements of RRVL that meet the threshold stated under harmonised list for infrastructure sub-sector notified by Ministry of Finance, as amended from time to time. Moreover, WUA is non-cancellable by RRVL.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

ISCIMPL has a contract with Jio Infrastructure Management Services Limited (project manager) and Reliance Projects & Property Management Services Limited (operations and maintenance [O&M] contractor) for O&M and execution of future projects at a fixed rate, ensuring stable profitability for ISCIMPL.

Long-term WUA provides annuity-like cash flows to ISCIMPL and ISCIT, which are expected to be adequate for servicing of ISCIT's consolidated debt repayment obligations.

Strong business linkages and strategic importance for RRVL

RRVL, 83.56% subsidiary of Reliance Industries Limited (RIL), which requires warehouse infrastructure for its retail operations and is the anchor tenant for ISCIMPL. RRVL is India's largest retailer by reach, scale, and profitability. ISCIMPL has a strategically located grade A warehouse portfolio across 30 cities in India, which leads to a significant economic and competitive advantage for RRVL, resulting in strong business linkages and strategic importance of ISCIMPL's warehouse assets to RRVL for its seamless operations.

High-quality and geographically-diversified asset base

ISCIMPL has 68 high-quality grade A warehouses with an aggregate area of 13.2 million sq ft as on June 30, 2025 (12.89 million sq ft as on March 31, 2024). It has a geographically diversified warehouse network across the country in 30 cities. Weighted average balance term for outstanding leases of warehouses land is relatively long at ~11 years and provides comfort about longevity of assets.

Long-term growth potential for warehousing sector driven by robust demand

India's warehousing sector evolved rapidly since 2017 with implementation of Goods and Services Tax (GST) and government according 'infrastructure' status to logistic sector including warehousing. In the past few years, warehousing sector consistently grew in warehousing space, occupancy rate, and rent, backed by robust demand. Going forward, healthy prospects for organised retail and e-commerce business amid rising disposable incomes and the government's focus on manufacturing sector is expected to result in a healthy demand growth for logistics and warehousing sector.

RRVL continues to consolidate its dominant domestic market position with 19,592 stores and 77.6 million sq ft retail space across its diverse consumption baskets as on June 30, 2025. Consequently, healthy growth prospects for warehousing sector and dominant market position of anchor tenant augurs well for prospects of ISCIMPL and ISCIT.

Comfortable financial risk profile

ISCIT had unit capital of ₹3,048 crore, loan from RIL promoter group entity and others of ₹2,122 crore (excluding lease liabilities) as on March 31, 2025, primarily to fund acquisition of its existing warehouses portfolio. These warehouse assets had valuation of ₹5,681 crore resulting in comfortable consolidated net borrowings (including lease liabilities)/enterprise value of assets of 44% as on March 31, 2025. Going forward, ISCIT's consolidated debt to PBILDT (adjusted for lease liabilities) is expected to remain comfortable at below 4.5x.

Liquidity: Strong

ISCIT's consolidated debt profile comprises consolidated debt of ₹2,122 crore and lease liabilities of ₹463 crore as on March 31, 2025. ISCIT, through its sole revenue-generating SPV, is expected to have monthly annuity-like cash flows from RRVL due to long-term WUA, which are expected to be adequate for servicing its quarterly debt obligations. Comfortable consolidated net debt/enterprise value of assets provides financial flexibility to fund capex requirements, if any, for expansion of warehouse network. Its entire debt is from RIL promoter group entity and others, providing flexibility in its servicing.

Key weaknesses

Risk associated with expansion plan

ISCIMPL has a plan to expand its warehousing space which is expected to be funded through mix of unit capital and availment of debt at SPV level. Accordingly, vacancy risk with respect to future expansion, tenure and refinancing risk associated with any future debt and credit quality of any new tenants, would be a key rating monitorable.

Highly competitive warehousing sector

ISCIMPL faces competition from organised players amid its modest presence, marked by existing warehousing space of 13.2 million sq ft in domestic warehousing sector. However, ISCIMPL's high-quality warehouse assets and its comprehensive warehousing services provide it competitive advantage against other players.

Applicable criteria

[Rating Outlook and Rating Watch](#)

[Definition of Default](#)

[Infrastructure Investment Trusts \(InvITs\)](#)

[Infrastructure Sector Ratings](#)

[Issuer Rating](#)

[Consolidation](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial Sector Entities](#)

About the trust and industry

Industry classification

Macroeconomic Indicator	Sector	Industry	Basic Industry
Services	Services	Transport services	Logistics solution provider#

#Warehouse service provider

ISCIT was established by RRVL (sponsor; a subsidiary of RIL) as a contributory irrevocable trust, on August 17, 2021, pursuant to an Indenture of Trust executed between sponsor and Axis Trustee Services Limited. ISCIT was registered as an infrastructure investment trust (InvIT) on February 27, 2023, under SEBI InvIT Regulations. RRVL holds 51% of units issued by ISCIT, whereas 35.88% of units are held by RIL promoter group companies – Jamnagar Utilities and Power Private Limited (rated 'CARE AAA; Stable/CARE A1+') and Sikka Ports and Terminals Limited (rated 'CARE AAA; Stable/CARE A1+'). ISCIT's units got listed on BSE on October 26, 2023.

ISCIT acquired 100% equity stake in its sole SPV, ISCIMPL on October 25, 2023. ISCIMPL operates portfolio of 68 warehouses having a total space of 13.2 million sq. ft. ISCIMPL has a non-cancellable WUA with RRVL, its anchor tenant, for a long tenure of 30 years.

Brief Financials of ISCIT (Consolidated)	FY24 (A) #	FY25 (A)	Q1FY26 (UA)
Total operating income (TOI)	617	1,338	345
PBILDT	414	869	140
PAT	7	-97	-78
Overall gearing (times)	0.96	1.04	NA
Interest coverage (times)	2.70	2.61	1.80

A: Audited; UA: Unaudited; NA: Not available; #For October 25, 2023, to March 31, 2024; Classified per CareEdge Ratings' standards

Note: Above results are the latest financial results available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Covenants of rated instruments/facilities: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Issuer Rating-Issuer Ratings	-	-	-	-	0.00	CARE AAA; Stable

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Issuer Rating-Issuer Ratings	LT	0.00	CARE AAA; Stable	-	1)CARE AAA; Stable (09-Sep-24)	1)CARE AAA; Stable (28-Aug-23)	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Issuer Rating	Simple

Annexure-5: Lender details: Not applicable**Annexure-6: List of entities consolidated in ISCIT**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Intelligent Supply Chain Infrastructure Management Private Limited	Full	100% Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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