

July 07, 2025

Arliga Galleria (India) Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Term loan	254.00	246.00	[ICRA]BBB (Stable); reaffirmed
Total	254.00	246.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for Arliga Galleria (India) Private Limited (AGIPL) factors in its strong financial flexibility being a part of the Brookfield Group, along with the healthy occupancy levels which is expected to sustain, favourable location of the project and reputed tenant profile. The Brookfield Group is one of the largest real estate investment managers globally. It has an established track record in India with presence of more than a decade and ~USD 9.6 billion of assets under management (AUM) as of March 2025. The rating considers the healthy occupancy level of 91% as of March 2025 (96% as of May 2024) for the operational retail asset – ‘The Galleria’, having a total leasable area of 3.15 lakh square feet (sf) (AGIPL’s share), which is likely to sustain going forward. The mall is situated at a favourable location at Yelahanka, Bengaluru, along with its reputed tenants including Inox-PVR, Lifestyle, Reliance Trends, Max Hypermarket and Global Kitchen, among others, with top 5 tenants contributing to 37% of the total minimum guaranteed rentals (as of March 2025).

The rating, however, is constrained by the elevated leverage levels and consequently modest debt coverage metrics. The sponsor is expected to maintain adequate liquidity in the special purpose vehicle (SPV) and support the cash flow mismatches, if any, as demonstrated in the past. Over the last two years, AGIPL has received Rs. 30 crore from the Group in the form of inter-corporate deposits to support its liquidity and debt servicing. AGIPL is exposed to geographical and asset concentration risks, which are inherent in companies with single projects. The debt protection metrics would remain vulnerable to material changes in occupancy or interest rates.

The Stable outlook on the rating reflects ICRA’s opinion that AGIPL will benefit from the financial flexibility that arises from being a part of the Brookfield Group, favourable asset location and healthy occupancy level.

Key rating drivers and their description

Credit strengths

Strong sponsor group with established track record – The Brookfield Group is one of the largest real estate investment managers globally. It has an established track record in India with presence of more than a decade with ~USD 9.6 billion of assets under management (AUM) as of March 2025. AGIPL, being a part of the Brookfield Group, enjoys strong financial flexibility. The sponsors in the past have infused funds to support the company's liquidity and debt servicing. Over the last two years, the sponsor has infused Rs. 30 crore in the form of inter-corporate deposits.

Favourable location, healthy occupancy and reputed tenant profile – The Galleria Mall, with a total leasable area of 3.15 lakh sf, has a healthy occupancy of 91% as of March 2025 (96% as of May 2024), which is expected to sustain going forward. The mall is situated at a favourable location - Yelahanka, Bengaluru, which is a primary catchment area of the mall and has established residential development supporting demand prospects. Galleria Mall houses reputed tenants including Inox-PVR, Lifestyle, Reliance Trends, Max Hypermarket and Global Kitchen, etc, with top 5 tenants contributing to 37% of the total minimum guaranteed rentals (as of March 2025).

Credit challenges

High leverage and modest debt coverage metrics – The company has elevated leverage levels and consequently modest debt coverage metrics. ICRA expects that the sponsor is expected to maintain adequate liquidity in the SPV and support the cash flow mismatches, if any, as demonstrated in the past. Over the last two years, AGIPL has received Rs. 30 crore from the Group in the form of inter-corporate deposits to support its liquidity and debt servicing.

Exposed to geographical and asset concentration risks; vulnerability to external factors – AGIPL is exposed to geographical and asset concentration risks, which are inherent in companies with single projects. In addition, its revenues are exposed to adverse macroeconomic and external conditions, which could impact the tenant's business risk profile. The profitability remains exposed to volatility in occupancy or interest rates.

Liquidity position: Stretched

The company's liquidity position is stretched. AGIPL had unencumbered cash balance of Rs. 4.0 crore as on March 31, 2025, apart from DSRA balance of 3 months' repayment obligations of Rs. 9.6 crore. While ICRA anticipates some shortfall in the operational cash flows for meeting the debt servicing obligations in FY2026, the liquidity available in the form of free cash balances, along with support in the form of loans and advances from Group companies are likely to bridge the gap.

Rating sensitivities

Positive factors – ICRA could upgrade AGIPL's rating if the company demonstrates significant growth in rental income or a healthy reduction in leverage resulting in an improvement in coverage metrics and liquidity position on a sustained basis. Specific credit metrics that could lead to a rating upgrade include 5-year average DSCR greater than 1.2 times on a consistent basis.

Negative factors – Negative pressure on AGIPL's rating could arise if there is a material decline in occupancy levels or rent rates or significant increase in indebtedness resulting in weakening of debt coverage and leverage metrics and liquidity position on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

AGIPL owns a retail property, The Galleria Mall, with 3.15 lakh sf of leasable area at Yelahanka, Bengaluru. The mall opened in September 2018 and had a healthy occupancy level of 91% as of March 2025. It has a reputed clientele including brands like PVR-Inox, Lifestyle, Reliance Digital, Max Hypermarket and Global Kitchen, among others. At present, AGIPL is 100% held by BSREP III New York II (DIFC) Limited (ultimately held by the Brookfield Group), post-acquisition by the Brookfield Group from the RMZ Group in FY2021.

Key financial indicators (audited)

AGIPL Standalone	FY2024	FY2025*
Operating income (OI)	57.0	56.3
PAT	-69.2	-77.4
OPBDIT/OI	34.2%	37.9%
PAT/OI	-121.3%	-137.5%
Total outside liabilities/Tangible net worth (times)	-1.8	-1.6
Total debt/OPBDIT (times)	38.7	38.4
Interest coverage (times)	0.2	0.2

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
FY2026				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	July 07, 2025	Date	Rating	Date	Rating	Date	Rating
Long term-term loan-fund based	Long Term	246.00	[ICRA]BBB (Stable)	July 19, 2024	[ICRA]BBB (Stable)	Aug 04, 2023	[ICRA]BBB (Stable)	June 29, 2022	[ICRA]BBB (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loans	FY2019	NA	FY2034	246.00	[ICRA]BBB(Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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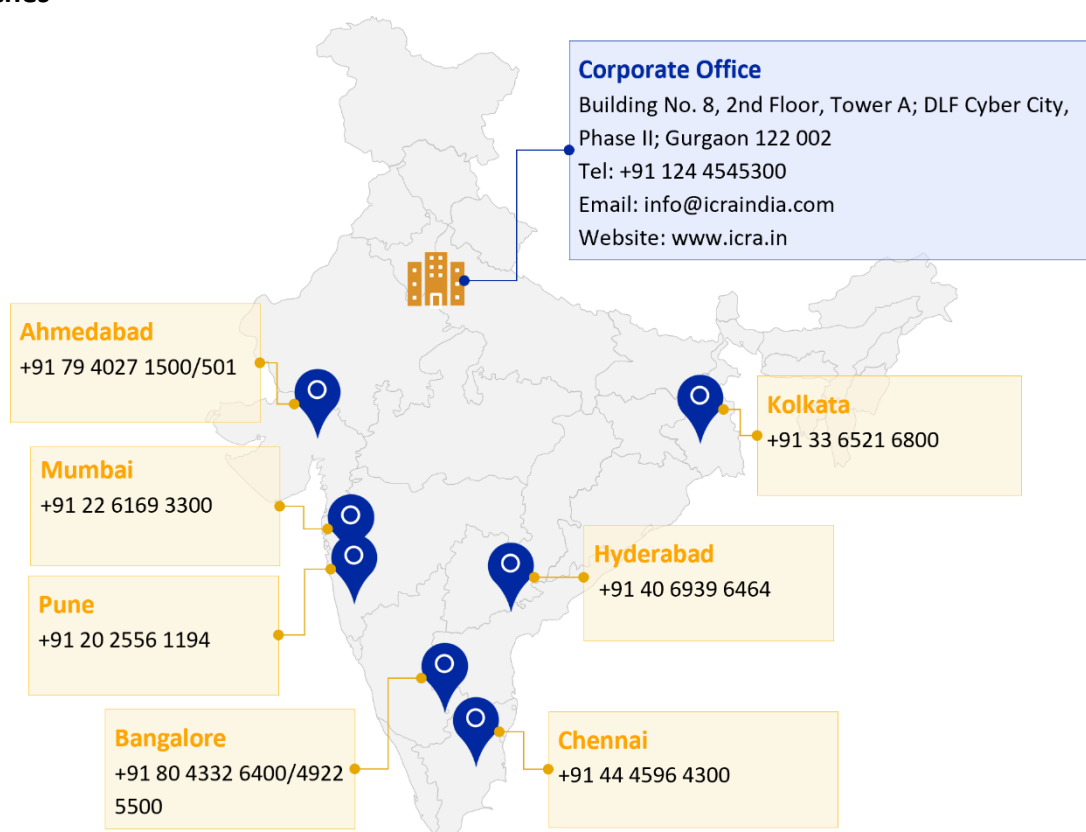
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