

August 04, 2025

Island Star Mall Developers Private Limited: Update on material event

Summary of ratings outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund based – Term Loan	245.00	245.00	[ICRA]AA- (Stable); Outstanding
Total	245.00	245.00	

*Instrument details are provided in Annexure-I

Rationale

Material event

On July 24, 2025, The Phoenix Mills Ltd (PML) announced that it will buy 49% stake from Canada Pension Plan Investment Board (CPPIB) in its joint venture Island Star Mall Developers Pvt Ltd (ISMDPL) as part of its growth strategy. At present, PML and CPPIB hold 51% and 49% stake in ISMDPL, respectively. The transaction has been approved by the company's board and audit committee and is subject to regulatory approvals. The transaction value of Rs. 5,450 crore will be paid over four tranches over a period of 3 years. Post the transaction, PML will have full ownership and sole control of ISMDPL.

Impact of the material event

ICRA is given to understand that the transaction would be funded partly by debt raised at ISMDPL and its subsidiaries (Sparkle One Mall Developers Private Limited (SOMDPL), Alyssum Developers Private Limited (ADPL) and Insight Mall Developers Private Limited (IMDPL)) and the remaining would be funded by internal accruals / equity. Despite increase in indebtedness, ISMDPL's leverage, and debt coverage metrics are expected to be comfortable in the medium term with no breach in the negative trigger as total debt/net operating income (NOI) is expected to remain below 5 times.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their descriptions, liquidity position, rating sensitivities and key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating of Island Star Mall Developers Private Limited (ISMDPL), ICRA has consolidated the business and financial risk profiles of ISMDPL, along with its wholly owned subsidiaries (Sparkle One Mall Developers Private Limited, Alyssum Developers Private Limited, Insight Mall Developers Private Limited) as they are in the same line of business with common promoters, have financial linkages and the assets are expected to have cash flow fungibility. Please refer Annexure II for the list of entities considered for consolidated analysis.

About the company

ISMDPL is a 51:49 subsidiary of PML and CPPIB. It owns and operates Phoenix Market City Mall in Whitefield, Bengaluru, which has a total leasable area of ~1.0 msf and has been operational since 2010 with a healthy leasing occupancy of 94% as of June 2025. The company is undertaking capex in PMC Bengaluru, which includes extension of the mall and addition of commercial office space and a hotel. ISMDPL has opened 3 retail malls namely Phoenix Citadel, Indore, Phoenix Mall of the Millenium, Pune and Phoenix Mall of Asia, Bangalore in its subsidiaries, Insight Mall Developers Private Limited, Alyssum Developers Private Limited and Sparkle One Mall Developers Private Limited, respectively, which commenced in December 2022, September 2023 and October 2023. Further, all three assets have healthy leasing occupancy levels of 92%, 96% and 91% respectively as of June 2025. Further, ISMDPL has recently completed an office space of ~0.8 msf and received Occupancy Certificate (OC) under Sparkle One Mall Developers Private Limited, in Hebbal, Bangalore and has another office space of 1.3 msf (across three towers) under Alyssum Developers Private Limited nearing completion (received OC for Tower 3 (~0.52 msf)), in Wakad, Pune.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2026)				Chronology of rating history for the past 3 years					
		FY2026				FY2025		FY2024		FY2023	
		Amount Rated (Rs. crore)	Aug 04, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long-term - Term loan - Fund-based	Long Term	245.00	[ICRA]AA-(Stable)	Apr 09, 2025	[ICRA]AA-(Stable)	-	-	Jan 02, 2024	[ICRA]A+(Stable)	Nov 17, 2022	[ICRA]A+(Stable)

Complexity level of the rated instrument

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	FY2023	NA	FY2032	245.00	[ICRA]AA- (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis

Company Name	ISMDPL Ownership	Consolidation Approach
Island Star Mall Developers Private Limited	Rated entity	Full Consolidation
Sparkle One Mall Developers Private Limited	100.00%	Full Consolidation
Alyssum Developers Private Limited	100.00%	Full Consolidation
Insight Mall Developers Private Limited	100.00%	Full Consolidation

Source: ISMDPL, ICRA Research

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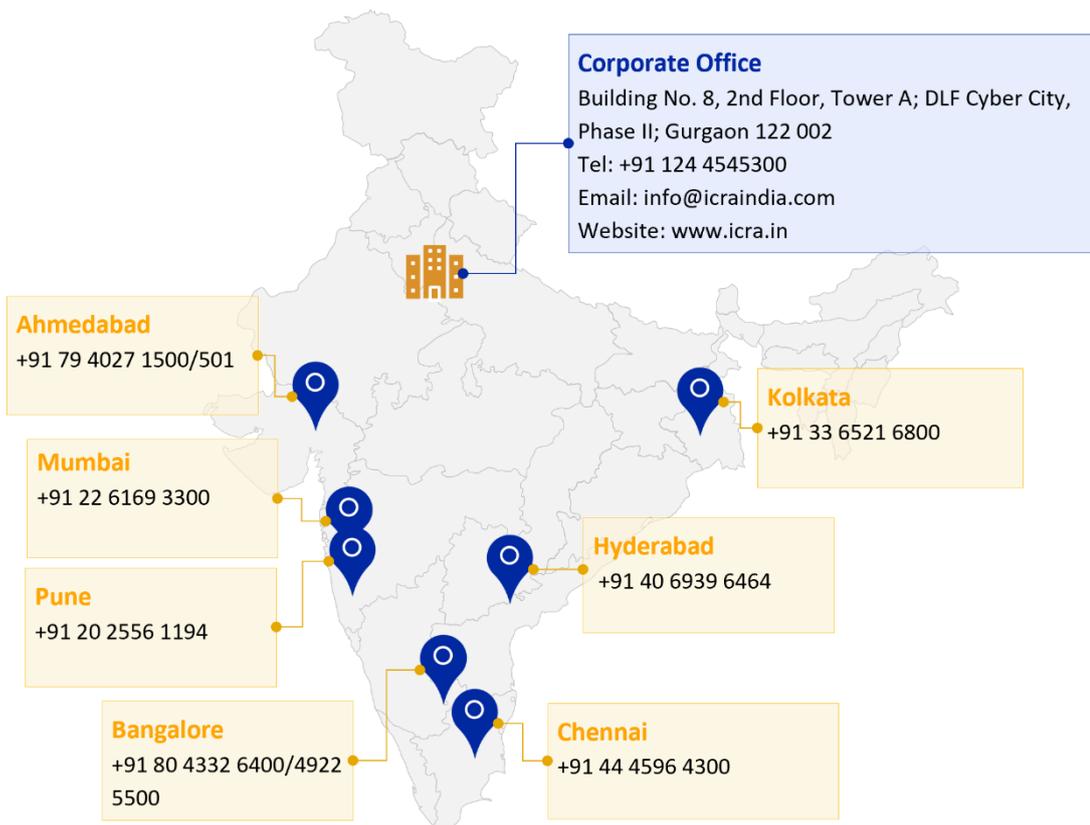
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