August 04, 2025

Insight 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	350.00	350.00	[ICRA]A+ (Stable); Outstanding
Total	**350.00**	**350.00**	

**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, IMDPL'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 5.5 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	**Parent company: Island Star Mall Developers Private Limited** The rating factors in the expected financial support from ISMDPL to IMDPL to protect its reputation from the consequence of a subsidiary's distress
Consolidation/Standalone	Standalone

About the company

Insight Mall Developers Private Limited is a subsidiary of Island Star Mall Developers Private Limited, a 51:49 subsidiary of PML and CPPIB. The company has developed a retail mall in Indore, Madhya Pradesh, known as Phoenix Citadel with a gross leasable area of 1.0 msf. The mall started operations in December 2022.

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)	Aug 04, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long-term - Term loan - Fund-based	Long Term	350.00	[ICRA]A+ (Stable)	Apr 09, 2025	[ICRA]A+ (Stable)	Jun 25, 2024	[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**	FY2024	NA	FY2034	350.00	[ICRA]A+ (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: Not Applicable

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About ICRA Limited:

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