

April 09, 2026

Vishala India Commercial Developers 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	94.00	94.00	[ICRA]BBB (Stable); reaffirmed
Total	94.00	94.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for Vishala India Commercial Developers Private Limited (VICDPL) factors in the sustained healthy occupancy levels of around 95% for Royal Meenakshi Mall, Bannerghatta Road, Bengaluru, supported by its favourable location and strong leverage metrics. The occupancy levels of the retail mall are likely to be robust above 95% in the medium term on account of long-term contracts with majority of the tenants. This along with the recent asset addition on lease of a 59-key resort in Goa is expected to aid improvement in the overall revenue and cash flow from operations. The company does not have any major debt raising plans. The leverage is likely to be strong with total debt to net operating income (debt/NOI) anticipated to be below 3.2 times as of March 2026 and March 2027 (3.4 times as of March 2025). Moreover, the debt coverage metric is comfortable with the five-year average DSCR expected to be at 1.3-1.4 times during FY2026-2030.

The rating, however, is constrained by the company's modest scale of operations with an estimated rental income of Rs. 18.5 crore in FY2026 from its retail mall, which is projected to improve by around 5% in FY2027, backed by contracted rental escalations. Nevertheless, the addition of the resort provides further avenue for scale-up of operations. The rating notes the moderate lessee concentration risk with top five tenants occupying ~50% of the total leased area. Nonetheless, strong occupancy levels and competitive rent rates of the retail mall mitigate the risks to an extent. It faces market risk for the resort asset due to the absence of any prior track record in the hotel business with expected commencement of operations from April 2027. The revenue from mall remains susceptible to volatility in occupancy, driven by adverse macroeconomic conditions, which could impact the tenants' business risk profiles. The operating performance of the resort remains vulnerable to industry cyclicity/seasonality and macro-economic cycles. The debt service coverage metrics remain susceptible to material decline in occupancy, changes in interest rates and delay in rent escalations.

The Stable outlook reflects ICRA's expectation that VICDPL will maintain strong occupancy levels over the medium term, supported by a favourable location, strong leverage and comfortable debt coverage metrics.

Key rating drivers and their description

Credit strengths

Strong occupancy levels with reputed tenant profile – The mall reported a high occupancy of ~95% as of December 2025, supported by reputed tenant profile and presence of long-term lease arrangements with majority of the tenants, which lends cash flow visibility. The tenant profile includes leading anchor retailers such as Shoppers Stop, Reliance Projects, Lifestyle International, Croma and Reliance Retail, along with established F&B brands including McDonald's and KFC. In addition, the presence of an entertainment facility operated by Amoeba, a 750-seater food court, and a seven-screen multiplex augments footfall generation and underpins the asset's operating performance.

Favourable location of property – The mall benefits from its advantageous location on Bannerghatta Road, in South Bengaluru, an established residential corridor surrounded by several large residential developments. Its accessibility and proximity to key residential catchments such as BTM Layout, Jayanagar and JP Nagar, along with the presence of multiple IT parks and educational institutions in the vicinity, support steady footfall generation. Further, the resort added by the company is favourably located close to Calangute beach, Goa. The proximity to popular beaches, restaurants and retail establishments is expected to aid sustained tourist footfalls across seasons.

Strong leverage and comfortable debt coverage metrics – The company's leverage position measured by total debt/NOI is expected to remain strong below 3.2 times as of March 2026 and March 2027 (3.4 times as of March 2025), supported by an improvement in overall revenue and NOI levels with no major debt raising plan. The debt coverage metrics are likely to remain comfortable, with the five-year average DSCR estimated at 1.3–1.4 times during FY2026-2030.

Credit challenges

Modest scale of operations – The scale of operation of the mall remains modest, with an estimated rental income of Rs. 18.5 crore in FY2026. It is projected to improve by around 5% in FY2027 on account of contracted rental escalations. The addition of the resort in Goa under a lease arrangement provides further avenue for scale-up of operations. The rating considers the moderate lessee concentration risk, with the top 5 tenants of the mall occupying 50% of the total leased area. Nonetheless, strong occupancy levels and competitive rent rates mitigate the risks to an extent.

Exposure to market risk – The company is exposed to market risk for its resort asset due to the absence of any prior track record in hotel business with expected commencement of operations from April 2027. Nonetheless, the resort's favourable location near Calangute beach, along with the proposed operations under the globally recognised 'Radisson' brand mitigates the risk to an extent.

Vulnerability of debt coverage indicators to changes in occupancy and interest rates – The revenue from the mall is exposed to volatility in occupancy caused by adverse macroeconomic conditions, which could impact the tenants' business risk profiles. The operating performance of the resort property remains vulnerable to industry cyclicity/seasonality and macro-economic cycles. The debt service coverage ratios remain vulnerable to material decline in occupancy, changes in interest rates and delay in rent escalations.

Liquidity position: Adequate

The company's liquidity position remains adequate, supported by free cash and cash equivalents of around Rs. 17.5 crore as of September 2025. The scheduled debt repayment obligations of around Rs. 12 crore in FY2027 is expected to be comfortably met through the cash flow from operations. Further, with no major capital expenditure planned over the medium term, it expects to incur only maintenance capex of around Rs. 1-2 crore, which is likely to be funded entirely through internal accruals.

Rating sensitivities

Positive factors – ICRA could upgrade VICDPL's rating if the company demonstrates a significant improvement in scale of operations and debt coverage metrics while maintaining strong leverage on a sustained basis.

Negative factors – Downward pressure on the rating could emerge if there is any reduction in occupancy, resulting in lower rental income or an increase in leverage and deterioration in debt coverage metrics, which exerts pressure on the company's liquidity profile.

Analytical approach

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

About the company

Vishala India Commercial Developers Private Limited (VICDPL) established in 2007, is promoted by Mr. UB Venkatesh, Mr. Kupendra Reddy and Mr. SS Ganesh. The company has developed a shopping mall Royal Meenakshi Mall (0.34 million square feet (msf) of leasable area), which comprises a shopping centre, entertainment centre, and a multiplex at Bannerghatta Road, South Bangalore. The operational occupancy stood strong at ~95% as of December 2025. Under a lease arrangement, it has recently added a 59-key resort asset located in Calangute, Goa, with operations expected to commence from April 2027.

Key financial indicators

VICDPL (Standalone)	FY2024	FY2025	H1 FY2026*
Operating income	33.3	39.0	19.3
PAT	13.9	7.3	3.8
OPBDIT/OI	54.7%	45.2%	38.4%
PAT/OI	41.8%	18.7%	19.4%
Total outside liabilities/Tangible net worth (times)	3.1	2.9	2.6
Total debt/OPBDIT (times)	4.5	5.3	6.1
Interest coverage (times)	3.0	2.3	2.1

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 (FY2027)			Chronology of rating history for the past 3 years						
			FY2025		FY2024		FY2023		
Instrument	Type	Amount rated (Rs. crore)	Apr 09, 2026	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	94.00	[ICRA]BBB (Stable)	Mar 18, 2025	[ICRA]BBB (Stable)	Mar 12, 2024	[ICRA]BBB- (Stable)	-	-
						Apr 06, 2023	[ICRA]BBB- (Stable)	-	-
Term loan	Long term	-	-	-	-	Apr 06, 2023	[ICRA]BBB- (Stable); withdrawn	Jul 29, 2022	[ICRA]BB+ (Positive)

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 loan	FY2024	NA	FY2036	94.00	[ICRA]BBB (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

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Pulkit Varshney

+91 80 4332 6427

pulkit.varshney@icraindia.com

Saumya Agrawal

+91 80 4332 6424

saumya.agrawal@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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