

May 6, 2026

SGH Realty Private Limited: Rating upgraded to [ICRA]A+ (Stable)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loans	500.00	500.00	[ICRA]A+ (Stable); upgraded from [ICRA]A (Stable)
Long-term – Fund-based – Overdraft	50.00	50.00	[ICRA]A+ (Stable); upgraded from [ICRA]A (Stable)
Long-term – Interchangeable [^]	(10.00)	(10.00)	[ICRA]A+ (Stable); upgraded from [ICRA]A (Stable)
Total	550.00	550.00	

* Instrument details are provided in Annexure II

[^] Includes two facilities (letter of credit, Bank guarantee) which are sublimit to the Overdraft facility

Rationale

The rating upgrade for SGH Realty Private Limited (SRPL) factors in the prepayment of the overdraft (OD) facility and sustained healthy occupancy levels resulting in improvement in debt protection metrics, which are expected to sustain in the medium term. SRPL operates Palladium Ahmedabad Mall with a total leasable area of ~7.5 lakh square feet (lsf). As of December 2025, the mall had a leasing occupancy of 97%. Backed by healthy occupancy, moderate debt levels with no plans to avail any additional indebtedness, the leverage for the company is expected to improve as reflected by low total external debt/annualised net operating income (NOI) of less than 4.0 times in the medium term. Consequently, the debt coverage metric, as measured by five-year average debt service coverage ratio (DSCR), is estimated to remain adequate at 1.3-1.4 times during FY2027-2031.

The rating continues to factor in the mall being operated under the Palladium brand of The Phoenix Mills Limited (TPML) at an attractive and premium location in Ahmedabad, i.e., SG Highway. The good connectivity and attractive catchment area are likely to support footfalls and trading density. The mall is operated by TPML, 50% partner of SRPL, which is one of India's leading owner, operator and developer of retail-led mixed-use destinations with its developments spread across retail, hospitality, commercial offices, and residential asset classes, with strong brand strength and operational track record of over three decades.

The rating is, however, exposed to geographical and asset concentration risks, which are inherent in companies with a single project. SRPL's credit profile remains exposed to adverse macroeconomic and external conditions, which could impact the tenant's business risk profiles and occupancy levels. While the leasing occupancy for the mall remains healthy at 97% as of December 2025, the debt protection metrics remain vulnerable to material changes in occupancy, rental rates and interest rates. The company has interest-free loans from promoters which are subordinated to external debt and does not have any fixed repayment schedule.

The Stable outlook on the rating reflects ICRA's expectation that the company will sustain healthy occupancy levels, maintain low leverage, adequate coverage metrics and continue to benefit from TPML's expertise in mall operations.

Key rating drivers and their description

Credit strengths

Sustained strong occupancy levels and low leverage – As of December 2025, the mall had a leasing occupancy of 97%. Backed by healthy occupancy, moderate debt levels with no plans to avail any additional indebtedness, leverage for the company is expected to improve as reflected by low total external debt/annualised NOI of less than 4.0 times in the medium term. Consequently, the debt coverage metric, as measured by five-year average DSCR, is estimated to remain adequate at 1.3-1.4 times during FY2027-2031.

Location-specific advantage and good connectivity – The mall has a total leasable area of ~7.5 lsf. The property is located at a favourable and premium location in Ahmedabad, i.e., SG Highway. Further, the location has an attractive catchment area due to the presence of premium residential development nearby. The good connectivity and attractive catchment area are likely to support footfalls and trading density.

Established track record of PML in the retail mall operations – SRPL is a 50:50 joint venture between TPML and BSafal Group. The mall is operated by TPML, which is one of India's leading owner, operator and developer of retail-led mixed-use destinations with its developments spread across retail, hospitality, commercial offices, and residential asset classes, with strong brand strength and operational track record of over three decades. TPML and its subsidiaries have an operational retail portfolio of 11.5 million square feet (msf) of retail space across 12 malls in 8 major cities of India and around 7 msf of retail space under development.

Credit challenges

Exposed to geographical and asset concentration risks – SRPL is exposed to geographical and asset concentration risks, which are inherent in companies with a single project. In addition, its credit profile remains exposed to adverse macroeconomic and external conditions, which could impact the tenants' business risk profiles and occupancy levels.

Susceptibility to material changes in interest rates or occupancy – While the leasing occupancy for the mall remains healthy at 97% as of December 2025, the debt protection metrics remain vulnerable to material changes in occupancy, rental rates and interest rates.

Liquidity position: Adequate

SRPL's liquidity position is adequate. The debt repayment obligation in FY2027 and FY2028 can be comfortably serviced through its estimated cash flow from operations. The company does not have any expansion plans in the medium term.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if there is significant improvement in earnings while sustaining high occupancy levels, resulting in improvement in debt protection metrics and liquidity position on a sustained basis.

Negative factors – Negative pressure on the rating could emerge if there is a material decline in occupancy or rent rates or a significant increase in indebtedness resulting in weakening of debt protection metrics. Specific credit metric that could lead to a downgrade is Total external debt/NOI greater than 5.0 times 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

SGH Realty LLP was incorporated in 2017 and is jointly owned by The Phoenix Mills Limited and the BSafal Group. On January 29, 2025, the LLP was converted into a private limited company and hence was renamed to SRPL. SRPL operates a retail mall – Palladium – in Ahmedabad, Gujarat, which was built on a land parcel of 5.2 acres and has a leasable area of ~7.5 lsf. The mall started operations in February 2023 and has leasing occupancy of 97% as of December 2025.

Key financial indicators (audited)

Standalone	FY2024	FY2025*
Operating income	140.1	173.2
PAT	10.5	40.7
OPBDIT/OI	52.7%	59.4%
PAT/OI	7.5%	23.5%
Total outside liabilities/Tangible net worth (times)	-359.1	44.8
Total debt*/OPBDIT (times)	12.8	9.2
Interest coverage (times)	1.6	2.2

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; ^ Total debt includes promoter loans

* In January 2025, the company was converted from LLP to private limited. The key financial indicators for FY2025 are prepared using line-by-line addition of financial statements for 10M FY2025 and 2M FY2025 (Feb-Mar '25) by ICRA.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	May 6, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based - Term loan	Long Term	500.00	[ICRA]A+ (Stable)	May 14, 2025	[ICRA]A (Stable)	-	-	Feb 21, 2024	[ICRA]A- (Stable)
Fund based - Overdraft	Long Term	50.00	[ICRA]A+ (Stable)	May 14, 2025	[ICRA]A (Stable)	-	-	Feb 21, 2024	[ICRA]A- (Stable)
Others - Interchangeable	Long Term	(10.00)*	[ICRA]A+ (Stable)	May 14, 2025	[ICRA]A (Stable)	-	-	Feb 21, 2024	[ICRA]A- (Stable)

*Includes two facilities (letter of credit, Bank guarantee) which are sublimit to the Overdraft facility

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Instrument	FSR
Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*): Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$): Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%): These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Activity Name	FSR
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
Credit Rating of Borrowing programme	(@)
Issuer Ratings	(#)
Monitoring Agency	SEBI
Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@): The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#): Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long-term – Fund-based – Overdraft	Simple
Long-term – Interchangeable	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	FY2024	NA	FY2034	500.00	[ICRA]A+ (Stable)
NA	Fund-based – Overdraft	NA	NA	NA	50.00	[ICRA]A+ (Stable)
NA	Interchangeable	NA	NA	NA	(10.00)	[ICRA]A+ (Stable)

Source: Company

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

Annexure III: List of entities considered for consolidated analysis: Not applicable

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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