

July 07, 2026

Shalimar Lakecity Private Limited: Rating downgraded to [ICRA] BBB- (Stable)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long term – fund-based – term loan	475.00	430.00	[ICRA] BBB- (Stable); downgraded from [ICRA] BBB (Stable)	RBI
Total	475.00	430.00		

*Instrument details are provided in Annexure II

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.

Rationale

The rating downgrade for the bank facilities of Shalimar Lakecity Private Limited (SLPL) factors in the significant increase in leverage majorly due to debt-funded land acquisitions for business growth. The group's external debt has increased to Rs. 959.0 crore as of March 2026, which along with lower collections in FY2026 as against ICRA's earlier estimates has adversely impacted the leverage, which is likely to remain elevated with Total debt/Cash flow from operations (CFO) around 9.4-9.6x as of March 2027 with proposed debt drawn for new business development and construction of ongoing projects. Further, the Group's total debt/net working capital remains high and significant improvement in the same would also be a key monitorable. The Group is exposed to market and execution risk with 32% area yet to be sold for the ongoing projects and around 66% of the pending cost yet to be incurred on its ongoing projects as of March 2026 along with significant launch pipeline of around 20-23 msf over the next 12-18 months. The rating factors in the expected support required for the new Hybrid annuity model (HAM) project undertaken by the group. The company's operating margins remains exposed to volatility in the raw material prices for the EPC division. Any incremental support required for the Group's infrastructure projects will have an impact on its cashflows and will remain a key rating monitorable. Moreover, being a cyclical industry, the real estate sector is highly dependent on macro-economic factors, which exposes the company's sales to any downturn in demand. The rating factors in the stiff competition from various other developers, especially considering that the operations are mostly concentrated in Lucknow region.

The rating, however, positively factors in the estimated increase in the sales and collections from the group's residential segment in FY2027. ICRA expects the collections to increase by 50.0 - 53.0% in FY2027 (PY: Rs. 693.0 crore) and consequently, the CFO is expected to improve. The Group's engineering, procurement and construction (EPC) business is projected to generate revenues of Rs. 400.0 - 430.0 crore (PY: Rs. 85.3 crore) with operating margins of 10.0 - 12.0% in FY 2027. The Group is one of the leading players in the real estate sector in Lucknow. The rating favourably factors in their established position and strong brand name in their key territory. The Group has a diversified asset portfolio spread across the real estate sector encompassing commercial, residential and retail segments

The Stable outlook on the long-term rating reflects ICRA's expectation that there will be an increase in the sales and collections from the Group's ongoing and upcoming projects resulting in an improvement in cash flow from operations.

Key rating drivers and their description

Credit strengths

Expected improvement in sales & collections in FY2027 - The Group's sales in its residential segment are estimated to increase in FY 2027, which along with adequate construction progress is likely to result in an improvement in collections by 50.0 – 53.0% in FY 2027 (PY: Rs. 693.0 crore) on account of healthy launch pipeline over next 12-18 months along with expected healthy construction progress as few ongoing projects are on track to complete in FY 2027 within their RERA completion timelines. Consequently, the CFO is expected to improve. The Group's engineering, procurement and construction (EPC) business is projected to generate revenues of Rs. 400.0 - 430.0 crore (PY: Rs. 85.3 crore) with operating margins of 10.0 - 12.0% in FY 2027.

Long and established track record of the Group in real estate business in Lucknow - The Group is one of the leading players in the real estate sector in Lucknow. The rating favourably factors in their established position and strong brand name in their key territory. The Group has a diversified asset portfolio spread across the real estate sector encompassing commercial, residential and retail segments.

Credit challenges

High leverage - The rating is further constrained by elevated leverage levels of the group. The outstanding debt levels of the group have increased from Rs. 517.0 crore as of December 2024 to Rs. 959.0 crore as of March 2026 due to issue of non-convertible debentures (NCD's) for purchase of land banks and related expects for future project launches as well as incremental construction finance loans availed for the ongoing projects of the group, which has adversely impacted the leverage, which is likely to remain elevated with Total debt/Cash flow from operations (CFO) of around 9.4-9.6x as of March 2027 with proposed debt drawn for new business development and construction of ongoing projects. Further, the Group's total debt/net working capital remains high and significant improvement in the same would also be a key monitorable.

Exposure to execution and market risks - The rating is, however, constrained by the Group's exposure to market and execution risks with 32% area yet to be sold for the ongoing projects and around 66% of cost pending to be incurred on its ongoing projects as of March 2026. It also has significant launch pipeline of around 20.0-23.0 msf over the next 12-18 months.

Exposure to geographic concentration risk and cyclicity in real estate sector - Moreover, being a cyclical industry, the real estate sector is highly dependent on macroeconomic factors, which exposes the company's sales to any downturn in demand. The rating factors in the stiff competition from various other developers, especially considering that the operations are mostly concentrated in the Lucknow region. The company's operating margins remain exposed to volatility in the raw material prices for the EPC division. Any incremental support required for the Group's infrastructure projects will have an impact on its cash flows and will remain a key rating monitorable.

Liquidity position: Adequate

The Group's liquidity position is expected to remain adequate, supported by free cash and bank balances of Rs. 122.0 crore as of March 2026 on consolidated level. The company has undrawn sanctioned bank limits aggregating to around Rs. 280.0 crores as of March 2026 towards meeting the cost for the under-construction projects. Further, it has expected debt repayment obligations to the tune of Rs. 235.0 crore in FY2027, which is expected to be adequately met from its cash flow from operations.

Rating sensitivities

Positive factors – The rating may be upgraded if there is a significant and sustained increase in sales and collections along with healthy construction progress, resulting in an improvement in cash flow from operations, debt protection metrics and liquidity of the company.

Negative factors – The rating could be downgraded in case of a significant decline in sales or collections, slippages in project execution, or considerable land investments, resulting in deterioration in debt protection metrics or liquidity position on a prolonged basis. Additionally, cost overrun, or higher-than-envisaged support required in the Group’s infrastructure projects will put negative pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Commercial/Residential/Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	<p>ICRA has taken a consolidated view for Shalimar Corp Limited (SCL) and its subsidiary Shalimar Lakecity Private Limited (SLPL, formerly ANS Developers Private Limited), given the operational and managerial linkages, along with cash flow fungibility between SCL and SLPL.</p> <p>For arriving at the ratings ICRA has consolidated the operational, business and financial risk profile of Shalimar Corp Limited along with its five subsidiaries (Shalimar Lakecity Private Limited, Shalimar Malls Private Limited, Shalimar Skyline Private Limited, Shalimar Infra developers private limited and Shalimar KSMB Projects) as these entities are involved in real estate operations and has common management, common treasury team. SCLs support to Shalimar Road Infrastructure Private Limited and Shalimar Freeway Private Limited is expected to be limited to equity infusion for the project and limited corporate guarantee provided.</p>

About the company

Shalimar Lakecity Private Limited (SLPL), incorporated in 2006, is a subsidiary of Shalimar Corp Limited (SCL) a flagship company of Shalimar Group’s real estate and civil work construction business. The company is involved in the development and sale of real estate projects primarily in Lucknow (Uttar Pradesh). It was acquired by the Shalimar (Lucknow) group and Goenka Group in 2010 from ANS Construction Private Limited based out of Delhi. Currently, Shalimar group holds 64% of equity while Goenka group holds 36% of equity in SLPL. The company is currently executing 8 residential real estate projects in Lucknow (Uttar Pradesh). The company has also launched 1 new project namely Valencia County East Phase 2 as of March 2026.

Key financial indicators (audited)

SLPL (consolidated)	FY2024	FY2025
Operating income	848.7	1,515.0
PAT	33.1	86.1
OPBDIT/OI	12.4%	10.6%
PAT/OI	3.9%	5.7%
Total outside liabilities/Tangible net worth (times)	2.5	2.3
Total debt/OPBDIT (times)	6.6	7.3
Interest coverage (times)	1.5	1.9

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

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					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	July 07, 2026	Date	Rating	Date	Rating	Date	Rating
Term Loan-Fund Based	Long Term	430.00	[ICRA] BBB- (Stable)	Aug 07, 2025	[ICRA]BBB (Stable)	-	-	Jan 24, 2024	[ICRA] BBB (Stable)
				April 28, 2025	[ICRA]BBB (Stable)	-	-	-	-

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 the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	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 the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)

8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	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 FSRs other than SEBI.

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
NA	Term loan	July 2022	-	FY 2029	430.00	[ICRA] BBB- (Stable)	RBI

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company name	SCL Ownership	Consolidation Approach
Shalimar Corp Limited	-	Full Consolidation
Shalimar Lakecity Private Limited	51.26%	Full Consolidation
Shalimar Malls Private Limited	90.00%	Full Consolidation
Shalimar KSMB Projects	51.37%	Full Consolidation
Shalimar Skyline Private Limited	100.00%	Full Consolidation
Shalimar Infra Developers Private Limited	100.00%	Full consolidation
Shalimar Freeway Private Limited	99.98%	Limited Consolidation
Shalimar Road Infrastructure Private Limited	99.98%	Limited Consolidation

Source: Company; ICRA Research

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Branches



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