

July 07, 2026

Shalimar Malls Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term – Fund Based – Term Loan	94.97	94.97	[ICRA]BBB- (Negative); Reaffirmed
Short Term Non fund based – Bank Guarantee	5.03	5.03	[ICRA]A3; Reaffirmed
Total	100.00	100.00	

*Instrument details are provided in Annexure II

Rationale

The rating reaffirmation for Shalimar Malls Private Limited (SMPL) factors in the steady increase in the occupancy of the mall as well as the ramp-up of the hotel business. The occupancy of the mall improved to 63% as of June 2026 from 51% as of June 2025, however, it continues to remain moderate, with rentals from new leases expected to commence from August 2026 onwards. The hotel's average occupancy stood at 59% in FY2026 (FY2025: 54%) and is anticipated to remain at 63-65% in FY2027, with an operating margin of around 29-30%. The leverage, measured by gross external debt/cashflow from operations (CFO), is estimated to remain at 6.50-6.70 times as of March 2027 (PY: 9.55 times). The rating derives strength from the favourable location of the mall and hotel in Alambagh, Lucknow. ICRA expects timely financial support from Shalimar Corp Limited (SCL) to SMPL, given their financial linkages, strategic importance, and SCL's reputational sensitivity to default. There has been a demonstrated track record of funding support in the past from SCL, which is likely to continue if the need arises. The rating also factors in the established track record of the Shalimar Group¹ in Uttar Pradesh (UP).

The rating is, however, constrained by SMPL's exposure to the residual market risk of the mall, with 37% of the area yet to be leased as of June 2026. The company's ability to improve the mall's occupancy at adequate rental rates will remain a key rating monitorable. The ratings factors in the company's modest scale of operations, along with the high tenant concentration risk, with the top five tenants occupying around 67% of the total leased area. The risk is partly mitigated as there are no major lease renewals in the near term. Additionally, SMPL faces geographical concentration risk as all its assets are concentrated in a single location. The debt coverage metrics remain sensitive to material changes in occupancy, rental rates, increases in indebtedness and interest rates.

ICRA notes that the credit profile of the parent entity of SMPL, i.e. SCL, has materially weakened due to a significant increase in leverage against the backdrop of debt-funded land acquisitions for business growth. The continuation of the negative outlook underpins the continuing stress in the sponsor entity and the consequent impact on SMPL's credit profile.

¹ Apart from Shalimar Malls Pvt Ltd (SMPL), Shalimar Group includes the Group's flagship entity - Shalimar Corp Limited (SCL) and its subsidiaries, Shalimar Lakecity Private Limited (SLPL), Shalimar Skyline Private Limited (SSPL), Shalimar Infra Developers Private Limited (SIDPL), and Shalimar KSMB Projects (SKP), which are involved in real estate operations and are expected to have fungibility in terms of cash flows with common managerial linkages. The Group also includes Shalimar Road Infrastructures Private Limited (SRIPL) and Shalimar Freeway Private Limited (SFPL) which undertakes HAM projects, wherein SCL's contribution is expected to be limited to its equity contribution for the projects and corporate guarantee provided.

Key rating drivers and their description

Credit strengths

Established track record of sponsor group – The Shalimar Group is among the market leaders in the real estate sector in Lucknow. ICRA expects timely financial support from SCL to SMPL, given their financial linkages, strategic importance, and SCL's reputational sensitivity to default. There has been a demonstrated track record of funding support from SCL in the past, which is likely to continue if the need arises. The ratings also factor in the established track record of the Shalimar Group in UP.

Favourable location of the project; improvement in mall's occupancy along with ramp-up in hotel operations – The mall and hotel are connected to the Alambagh Metro Railway Station and the bus terminal in Lucknow. They also have good connectivity to the airport and the residential suburbs of Lucknow. The mall has a reputed tenant profile. The occupancy of the mall improved to 63% as of June 2026 from 51% as of June 2025. However, it continues to remain moderate, with rentals from new leases commencing from August 2026 onwards. The hotel's average occupancy stood at 59% in FY2026 (FY2025: 54%) and is anticipated to remain at 63-65% in FY2027, with an operating margin of around 29-30%. The ARR improved to Rs. 3,778 (PY: Rs. 2,214) and is expected to improve further by 2-3% in FY2027.

Adequate debt protection metrics: The leverage, measured by gross external debt/CFO, is estimated to remain at 6.50-6.70 times as of March 2027 (PY: 9.55 times). ICRA notes that the principal repayment obligations remain nominal during the FY2027-FY2029 period, which will result in comfortable coverage metrics in the interim.

Credit challenges

Exposure to residual market risk – The company is exposed to the residual market risk of the mall, with 37% of the area yet to be leased as of June 2026. The company's ability to improve the mall's occupancy at adequate rental rates will remain a key rating monitorable.

Exposed to high tenant and geographical concentration risks – The company has a modest scale of operations, along with high tenant concentration risk, with the top five tenants occupying around 67% of the total leased area. The company is further exposed to geographical concentration risk as all its assets are located in Alambagh, Lucknow.

Vulnerability of debt coverage ratios to changes in occupancy levels, rental rates and interest rates; sensitivity to credit profile of the parent: The debt coverage metrics remain susceptible to material changes in occupancy, rental rates, increases in indebtedness, and interest rates. ICRA notes that the credit profile of the parent entity of SMPL, i.e. SCL, has materially weakened due to a significant increase in leverage against the backdrop of debt-funded land acquisitions for business growth. The continuation of the Negative outlook underpins the continuing stress in the sponsor entity and the consequent impact on SMPL's credit profile.

Liquidity position: Adequate

The company has scheduled debt repayment (principal + interest) obligations of around Rs. 10.3 crore in FY2027, which are expected to be adequately met through its cash flow from operations. The company had free cash and bank balances of Rs. 1.2 crore as of March 2026.

Rating sensitivities

Positive factors – The outlook can be revised to stable from negative, if there is a significant improvement in mall's occupancy at adequate rental rates, along with ramp-up in hotel operations, resulting in improvement in the debt protection metrics while maintaining adequate liquidity position on a sustained basis. The rating will be sensitive to the credit profile of its parent company.

Negative factors – Downward pressure on the ratings could emerge due to significant reduction in rental inflows and/or slowdown in hotel operations, impacting the cash flow from operations on a sustained basis, or a substantial increase in indebtedness, adversely impacting the debt protection metrics on a sustained basis. A deterioration of the credit profile and weakening of financial linkages with, its parent company will trigger a downward movement of SMPL’s ratings

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Leasing Hotels
Parent/Group support	Parent/Group: Shalimar Corp Limited ICRA expects Shalimar Corp Limited to extend extraordinary financial support to SMPL if need arises given their financial linkages, strategic importance, and the parent’s reputation sensitivity to default.
Consolidation/Standalone	Standalone

About the company

Shalimar Malls Pvt. Ltd. was established in 2014 by the Lucknow-based Shalimar Group. Shalimar Corp Limited, the flagship company of the Group’s real estate business, holds a 90% stake in SMPL. The company has set up an inter-state bus terminal in Alambagh, Lucknow, along with a commercial and retail area under the public-private partnership model. The mall has a leasable area of around 2.77 lakh square feet. The bus terminal was completed in 2018, whereas Shalimar Gateway Mall became operational in 2020.

The company also operates a hotel known as ‘Shalimar Homotel’ under the Sarovar Group of Hotels. The construction of the hotel was completed in May 2024, and it has been operational since then. The hotel is equipped with 104 rooms and suites, along with facilities such as a fine-dining restaurant, a banquet hall with a capacity of 1,400 guests, a fitness centre and many more.

Key financial indicators (audited)

SMPL (Standalone)	FY2024	FY2025
Operating income	20.3	27.4
PAT	-17.7	-11.0
OPBDIT/OI	35.2%	11.1%
PAT/OI	-87.0%	-40.1%
Total outside liabilities/Tangible net worth (times)	-6.1	-5.2
Total debt/OPBDIT (times)	43.9	104.9
Interest coverage (times)	0.3	0.1

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:

CRA	Status	Date of release
Infomercs	IVR BB (CE) (Negative) (ISSUER NOT COOPERATING)/IVR A4 (CE) (ISSUER NOT COOPERATING) Downgraded	May 14, 2025
Brickwork	[BWR]BB (Stable)/[BWR]A4, Issuer Not Cooperating & Withdrawn	Jun 28, 2022
CRISIL	[CRISIL]BB- (Stable)/[CRISIL]A4+, Issuer Not Cooperating & Withdrawn	Mar 29, 2018

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	FY2027		FY2026		FY2025		FY2024	
		Amount rated (Rs. crore)	Jul 07, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-Based-Term loan	Long Term	94.97	[ICRA]BBB-(Negative)	Aug 20, 2025	[ICRA]BBB-(Negative)	Jul 03, 2024	[ICRA]BBB-(Stable)	-	-
Non-Fund Based-Bank guarantee	Short Term	5.03	[ICRA]A3	Aug 20, 2025	[ICRA]A3	Jul 03, 2024	[ICRA]A3	-	-

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:

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 regulatory purview of various Financial Sector Regulators (FSR) 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
Short Term – Non-Fund Based – Bank Guarantee	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	Dec 06, 2023	NA	FY2039	94.97	[ICRA]BBB- (Negative)
NA	Non-Fund Based-Bank Guarantee	Dec 06, 2023	NA	NA	5.03	[ICRA]A3

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

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Sweta Shroff

+91 124 4545 307

sweta.shroff@icraindia.com

Siddhartha Sharma

+91 124 4545 327

siddhartha.sharma@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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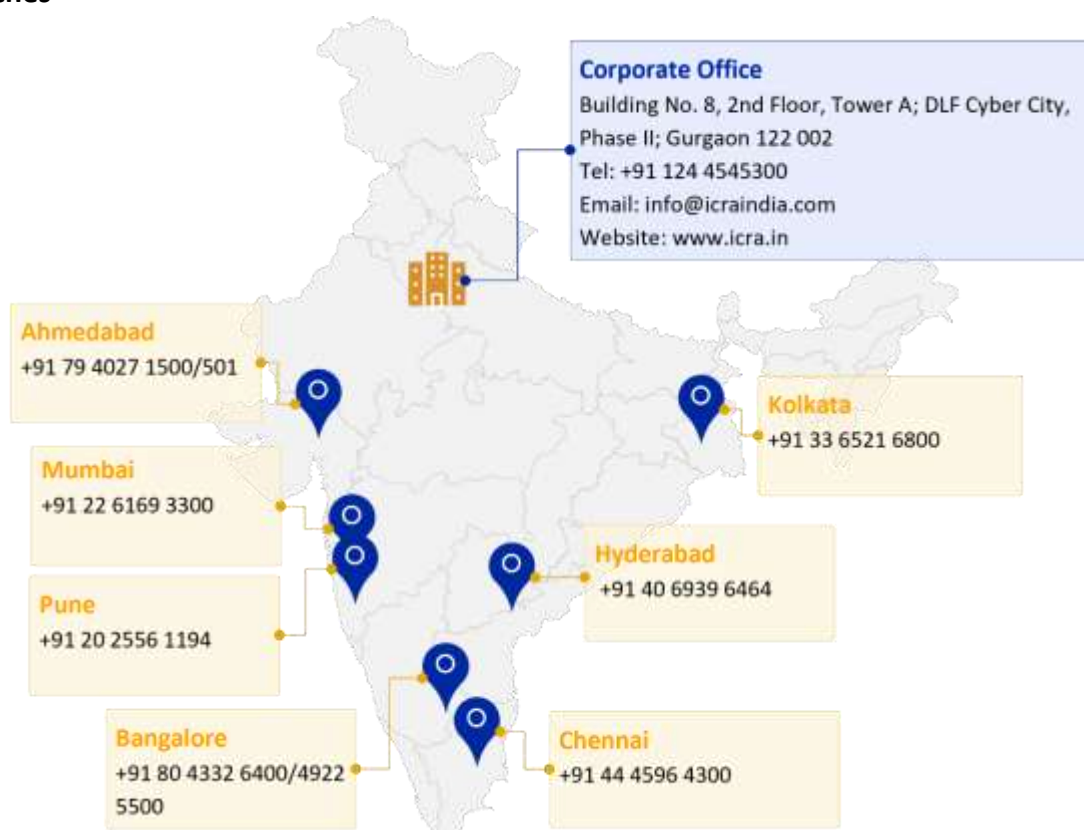
Registered Office

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

Tel: +91 11 23357940-45



Branches



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