



Press Release
SHRIMARC MALL LLP
May 16, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	78.00	ACUITE BBB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	78.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of ‘**ACUITE BBB**’ (read as **ACUITE triple B**) on the Rs.78.00 Cr. bank facilities of Shrimarc Mall LLP(SML). The outlook remains ‘**Stable**’.

Rationale for rating

The rating reaffirmation considers the favourable location of the mall and the steady cash flows backed by reputed clientele base. The firm has steady revenue which stood at Rs.19.06 Cr. in FY2024 and an estimated Rs. 20.57 Cr. in FY 25. As on date, the occupancy of the mall is almost 95%. The DSCR stood at 1.32 times as on March 31, 2024. The rating further factors in the presence of debt servicing reserve account (DSRA) in the form of fixed deposit equivalent to three months of debt repayment, and presence of escrow structure. The rating also continues to draw comfort from the experienced promoters in real estate business. The rating, however, remains constrained by exposure to risk of non-renewal of lease by tenants which might directly impact its cash flows.

About the Company

Incorporated in 2013, Shrimarc Mall LLP (SML) is a Limited Liability Partnership (LLP) between Calcutta Beacon Engineering Co LLP (CBECL; part of Shrachi group) and Sky Vinimay Private Limited (SVPL; part of Primarc group) in an equal profit sharing ratio. SML operates a commercial mall at Durgapur (West Bengal) named ‘Junction Mall’ which is a multi-storeyed shopping mall with various brand outlets, and restaurants. The mall was inaugurated in March, 2011 and Primarc Group entered into partnership with Shrachi Group in 2013. The property has a leasable area of 2.85 lakh sq and balance 0.39 lakh sq. ft. has been sold out in earlier years. It is located in the heart of the Durgapur town and was inaugurated in 2011. The business is managed by Mr. Siddharth Pansari and Mr Ravi Todi. CBECL is a joint venture between Ravi Todi and Chitralekha Todi.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of SML to arrive at this rating

Key Rating Drivers

Strengths

Long track record of operations and experienced partners

The promoters of SML, Calcutta Beacon Engineering Co LLP (CBECL) and Sky Vinimay Private Limited (SVPL) have more than two decades of experience in commercial property and real estate operations. SVPL belongs to the Primarc group, a conglomerate in diverse business operations such as real estate, retail franchisees, online and offline retail trading. Primarc group is engaged in the development of residential, commercial and retail projects with over two decades of operations in the Kolkata real estate market. The business is managed by Mr. Siddharth

Pansari and Mr Ravi Todi. Calcutta Beacon Engineering Co LLP (CBECL) is a joint venture between Ravi Todi and Chitralekha Todi the promoters have extensive experience in development to commercial/real estate properties and investing activities. Hence, Acuité believes that the long track record of operations and the vintage of the promoters will continue to support the operations of the firm over the medium term.

Favourable location of the mall and healthy occupancy level

The Junction Mall is situated in the heart of the Durgapur city and is one of the largest malls in the city having tie up with reputed brands like Shoppers stop, Pantaloons, Spencers, Reliance trends, Khadims, Woodland, Blackberry Mumoso, etc. The Mall is very well connected and lies in close proximity to hotels, main Bus Terminus and residential apartments. Further, the mall has entertainment zones and food hubs such as KFC, Mainland China, Subway, Chai Break and Pizza hut etc. leading to healthy footfalls. Being the largest mall in Durgapur, it caters to nearby towns of Burdwan, Asansol, Rangiganj and Dhanbad. With no major competing mall in Durgapur market of similar scale and operations, the footfalls for the mall are robust. This is also reflected in near to full occupancy of the mall and premium brand presence. Hence, owing to an attractive location of the mall and robust footfall, the firm enjoys healthy occupancy level of ~95 per cent. Acuité believes that the favourable location of the mall would continue to benefit the firm in terms of robust footfalls and premium brand participation.

Steady revenue base coupled aided by association with reputed clientele

The firm achieved revenue of Rs. 19.06 Cr. in FY2024 as compared to Rs.17.71 Cr. in FY2023. It had a DSCR of 1.32 times in FY24 which is expected to remain stable going forward. The firm operates on lease model and has entered into a long term agreement with reputed brands like Shoppers stop, Pantaloons, Spencers, Subway, Chai Break, Mainland China, Pizza hut etc. Currently, there are around 115 tenants in the mall. Out of the same, there are three anchor tenants, Shoppers stop, and Pantaloons, Spencers which constitutes ~ 33 per cent of the total leased area. Acuité believes that the lease agreement with reputed clients, the firm's established market position, and the brand recognition of the tenants, will continue to mitigate the risk of any unlikely delay in receipt of lease rental and will also ensure the renewal of lease agreements post completion of existing tenure.

Weaknesses

Modest financial risk profile

The financial risk profile of the firm is modest marked by low net-worth, high gearing and moderate debt protection metrics. The tangible net worth of the firm stood at Rs.4.65 Cr. (net of revaluation reserve) as on March 31, 2024 from Rs.12.31 Cr. as on March 31, 2023 and exit of Bengal Shrachi Housing Development Limited in FY2024. However, Calcutta Beacon Engineering Co LLP(part of Shrachi group) has entered as a partner in FY 2024. As a result of decline in net worth, the gearing of the firm weakened and stood at 15.73 times as on March 31, 2024 as against 6.44 times as on March 31, 2023. The moderate debt protection metrics of the firm is marked by interest coverage ratio (ICR) which stood at 2.19 times as on March 31, 2024 as against 1.48 times as on March 31, 2023 and debt service coverage ratio which stood at 1.32 times as on March 31, 2024 as against 1.34 times as on March 31, 2023. Acuité believes that the financial risk profile is expected to remain on similar levels over the near to medium term backed by stable lease rental discounting model.

Renewal risk of lease contracts and susceptibility to lower occupancy due to economic downturns

In the event of non-renewal by existing lessee, the future cash flows will be impacted thereby translating to weakening of debt protection indicators. Key clients contribute to about 33% of the total lease rentals. In the event of either of the tenants deciding to move out or seeking a renegotiation the rentals are likely to be impacted. Hence, timely renewal/leasing at similar or better terms than the existing agreements will remain a key rating sensitivity factor. However, this risk is mitigated at an extent considering mall's strategic location and strong credit risk profile of tenants. Further, there is minimal risk of non renewability of the lease agreement of anchor tenants as few of them has already sustained beyond the lock in period.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Shrimarc Mall LLP maintains a Debt Service Reserve Account (DSRA) equivalent to 3 month's debt servicing obligation along with the ESCROW mechanism.

Stress Case scenario

Acuite believes that, given the presence of DSRA mechanism equivalent to 3 month's debt servicing obligation, Shrimarc Mall LLP will be able to service its debt on time, even in a stress scenario.

Rating Sensitivities

Movement in revenues and operating profitability
Decline in occupancy rate or non renewal of tenancies
Movement in capital structure and debt protection metrics

Liquidity Position

Adequate

The liquidity position of the firm is adequate and is expected to support debt servicing in the near-to-medium term on account of presence of escrow accounts to ensure timely repayment. The cash flow cover is expected to be

comfortable during the tenure of the loan and its average debt service coverage ratio (DSCR) of 5 years expected to remain comfortable to be about 1.90 times ,owing to the expectation of steady lease rentals and well- structured debt repayment obligation. Further, the firm maintains DSRA equivalent to three months debt service obligation which strengthens the liquidity profile of the firm. However, the balance after servicing the debt of the firm is expected to be separately transferred to its partner's escrow account which reduces the financial flexibility of the firm to some extent and will remain a key monitorable. The average bank limit utilization of the firm is at 70.67 percent in last 6 months ended, March 2025. Moreover, the overall liquidity profile has been supported by timely infusion of funds from the promoter and such support is expected going forward as well.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	19.06	17.71
PAT	Rs. Cr.	5.96	2.11
PAT Margin	(%)	31.28	11.93
Total Debt/Tangible Net Worth	Times	15.73	6.44
PBDIT/Interest	Times	2.19	1.48

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook	
07 Oct 2024	Secured Overdraft	Long Term	7.00	ACUITE BBB	Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	5.00	ACUITE BBB	Stable (Reaffirmed)
	Term Loan	Long Term	66.00	ACUITE BBB	Stable (Reaffirmed)
28 Jul 2023	Term Loan	Long Term	71.00	ACUITE BBB	Stable (Reaffirmed)
	Secured Overdraft	Long Term	7.00	ACUITE BBB	Stable (Reaffirmed)
02 Jun 2022	Term Loan	Long Term	68.00	ACUITE BBB	Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB	Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE BBB Stable Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE BBB Stable Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Apr 2032	57.00	Simple	ACUITE BBB Stable Reaffirmed

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About Acuité Ratings & Research

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