



**Press Release**  
**ACHOLE DEVELOPERS PRIVATE LIMITED**  
**February 24, 2025**  
**Rating Assigned**

| Product                                   | Quantum (Rs. Cr) | Long Term Rating              | Short Term Rating     |
|---|------------------|-------------------------------|-----------------------|
| Bank Loan Ratings                         | 195.10           | ACUITE A-   Stable   Assigned | -                     |
| Bank Loan Ratings                         | 0.90             | -                             | ACUITE A2+   Assigned |
| <b>Total Outstanding Quantum (Rs. Cr)</b> | 196.00           | -                             | -                     |
| <b>Total Withdrawn Quantum (Rs. Cr)</b>   | 0.00             | -                             | -                     |

**Rating Rationale**

Acuite has assigned its long-term rating of 'ACUITE A-' (read as ACUITE A Minus) on bank facilities Rs. 195.10 Cr. and short term rating of 'ACUITE A2+' (read as ACUITE A two plus) on bank facilities of Rs 0.90 Cr. of Achole Developers Private Limited (ADPL). The outlook is 'Stable'.

**Rationale for the Rating Assigned**

The rating assigned reflects the strong promoter strength of the company. The rating factors in the prime location of Capital mall in Nalasopara, Maharashtra, coupled with its reputed lessee profile consisting of high-end retail brands and healthy occupancy levels with medium to long-term lease agreements with them. Additionally, the rating takes into account the low refinancing risk due to the recent refinancing of its LRD loans, which now have a 15-year tenure. Furthermore, the average DSCR is estimated to remain over well over 1x till FY2029. However, these strengths are partially offset by susceptibility of the revenues to the tenant's performance along with occupancy and renewal risk and exposure to adverse macroeconomic and external conditions, which could impact the tenant's business profile.

**About the Company**

Incorporated in 2018, Achole Developers Private Limited (ADPL) is based in Mumbai. The Company is engaged in the business of owning and operating the Capital Mall located in Nalasopara, Maharashtra. The company is owned by Lake Shore India Retail Venture Fund ('Lake Shore') and Mr. Darpan Shah in 70:30 ratio. Abu Dhabi Investment Authority (ADIA) is the primary investor in LSIRVF. The directors of the company include Mr. Ashwin Puri, Mr. Karim Kasimali Merchant & Mr. Rajamani Koshtishwaran Iyer.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profiles of the ADPL to arrive at this rating.

**Key Rating Drivers**

## **Strengths**

### **Strong Promoter Strength**

Achale Developers Private Limited is owned by Lake Shore India Retail Venture Fund (LSIRVF) having 70% shareholding and the rest 30% is owned by Mr. Darpan Shah. The primary investor in LSIRVF is the Abu Dhabi Investment Authority (ADIA), one of the world's largest sovereign wealth funds. ADIA has significantly contributed to Lake Shore's capacity to undertake large-scale projects. The group has developed various malls in the Mumbai Metropolitan Region (MMR), Pune, Gurugram, and Ghaziabad. It currently operates five malls with a total leasable area of approximately 2.5 million sq. ft. Acuite believes the company will continue to benefit from

its established presence and strong promoter strength in the industry.

### **Steady revenue stream supported by medium to long-term lease agreements and reputed lessee profile**

Capital Mall is leased to various tenants across multiple sectors having medium to long-term lease agreements. The current monthly lease rental generated by the mall is approximately Rs. 2.5-2.75 Cr. The lessee profile includes prominent brands across segments such as Peter England, Jockey, Arrow, Louis Phillipe, Allen Solly, Barista, KFC Pantaloons, Reliance trends, Nykaa amongst others. The lease rental agreements have tenures ranging from 2 to 18 years, with a price escalation clause of 15 percent every 3 years. The mall also maintains lock-in contracts with these lessees, with terms varying from 6 to 36 months. Acuité believes that ADPL's revenue will continue to be supported by medium to long-term lease agreements and reputed lessee profile.

### **Locational Advantage along with healthy occupancy levels coupled with low refinancing risk**

Capital mall is strategically located on the new link road, Near Nalasopara Railway Station East, Nalasopara East, Village Achole. The property is centrally located from all the major residential hubs in Vasai – Virar Stretch. The mall attracts footfall from catchment areas as well as surrounding areas. The company has a leasable area 3,25,000 sq. ft with carpet area of approx. 2,25,000 sq. ft, the total leasable area includes 101 stores and around 35 kiosks. Out of the total stores, 88 are currently leased to a variety of brands spanning several sectors. The mall has a healthy occupancy level of around 95% over a period of 21 months ended September'24 reflecting healthy vacancy management. Further, ADPL has refinanced its existing loans with a longer tenure of 15 years, thereby mitigating the refinancing risk.

## **Weaknesses**

### **Susceptibility to tenant's performance along with occupancy and renewal risk**

ADPL primarily generates cash flows from lease rentals. The company's ability to meet its repayment obligations will be dependent on the continued and timely flow of rentals as per the agreed terms under arrangement. The occurrence of events such as delays in receipt of rentals, or early exits/renegotiation by tenants due to the latter's lower than expected business performance may result in disruption of cash flow streams, thereby affecting ADPL's debt servicing ability.

### **Vulnerability to external factors**

ADPL's revenues are exposed to adverse macroeconomic and external conditions, which could impact the tenant's business risk profiles. The rating also notes the vulnerability of its debt coverage metrics to factors such as changes in interest rates or material reduction in occupancy levels.

## **Rating Sensitivities**

High debt-funded capital expenditure in the near to medium term.

Timely renewal of agreement at similar or better terms than the existing agreements.

## **Liquidity Position**

### **Adequate**

The liquidity position of the company is adequate marked by generation of sufficient cash flows to service its debt obligations. Further it is supported by maintenance of DSRA, equivalent to three months of repayment obligation which stood at Rs. 4.79 Cr. as of January 10, 2025. In addition, as per the terms of sanction, it stipulates an escrow mechanism through which rent receipts are routed and used for payment as per the defined payment waterfall.

## **Outlook: Stable**

### **Other Factors affecting Rating**

None.

## Key Financials

| Particulars                   | Unit    | FY 24 (Actual) | FY 23 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income              | Rs. Cr. | 46.69          | 33.02          |
| PAT                           | Rs. Cr. | (17.30)        | (27.61)        |
| PAT Margin                    | (%)     | (37.06)        | (83.62)        |
| Total Debt/Tangible Net Worth | Times   | 2.50           | 1.98           |
| PBDIT/Interest                | Times   | 0.69           | 0.30           |

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

None

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.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](http://www.acuite.in).

### Rating History :

Not Applicable

## Annexure - Details of instruments rated

| Lender's Name       | ISIN                 | Facilities                       | Date Of Issuance     | Coupon Rate          | Maturity Date        | Quantum (Rs. Cr.) | Complexity Level | Rating                        |
|---------------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|-------------------|------------------|-------------------------------|
| Union Bank of India | Not avl. / Not appl. | Bank Guarantee (BLR)             | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 0.90              | Simple           | ACUITE A2+   Assigned         |
| Not Applicable      | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 0.10              | Simple           | ACUITE A-   Stable   Assigned |
| Union Bank of India | Not avl. / Not appl. | Term Loan                        | Not avl. / Not appl. | Not avl. / Not appl. | 31 Mar 2039          | 120.00            | Simple           | ACUITE A-   Stable   Assigned |
| Union Bank of India | Not avl. / Not appl. | Term Loan                        | Not avl. / Not appl. | Not avl. / Not appl. | 31 Mar 2039          | 75.00             | Simple           | ACUITE A-   Stable   Assigned |

Sublimits: Union Bank of India: Overdraft - Rs. 19.50 Cr (Sublimit of total term loan of Rs. 195 Cr.)

## Contacts

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|---|---|
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### About Acuité Ratings & Research

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