

October 06, 2023

Godrej Properties Limited: Change in limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based/CC	1,900.0	2,575.0	[ICRA]AA+ (Stable); rating outstanding
Long-term – Non-fund based limits	350.0	350.0	[ICRA]AA+ (Stable); rating outstanding
Long-term/ Short-term – Unallocated Limits	2,250.0	1,575.0	[ICRA]AA+ (Stable)/[ICRA]A1+; rating outstanding
Commercial paper (CP) Programme	2,000.0	2,000.0	[ICRA]A1+; rating outstanding
Non-convertible debenture (NCD) programme	3,000.0	3,000.0	[ICRA]AA+ (Stable); rating outstanding
Proposed Non-convertible debenture (NCD) programme	2,000.0	2,000.0	[ICRA]AA+ (Stable); rating outstanding
Total	11,500.0	11,500.0	

*Instrument details are provided in Annexure-I

Rationale

This rationale is being released to convey the change in the lender wise facilities of the rated limits, based on the latest information received from the entity.

The key rating drivers, liquidity position and rating sensitivities for the outstanding ratings for the NCDs, Commercial Paper (CP) and bank facilities is available in the previous detailed rating rationale at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Real Estate Entities
Parent/Group support	Not Applicable
Consolidation/Standalone	Consolidation: ICRA has consolidated GPL along with its operational subsidiaries, JVs and associate entities (mentioned in Annexure II) on account of the strong business and financial linkages between these entities.

About the company

Godrej Properties Limited (GPL) is the real estate venture of the Godrej Group, which is involved in diverse business segments spanning home appliances, FMCG, consumer products, industrial products (process plant and equipment), chemicals, animal feed, real estate development and oil palm plantation through various Group companies. It was incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 by Mr. Mohan Khubchand Thakur and Mrs. Desiree Mohan Thakur. In 1987, it became a part of the Godrej Group and in 1989, it became a subsidiary of Godrej Industries Limited (erstwhile Godrej Soaps Limited), which holds 47.3% of the company's equity share capital as on March 31, 2023. At present, GPL is present in 10 cities in India and focuses mostly on residential real estate development. It has delivered ~32 msf of real

estate over the last five years ended March 31, 2023 and has around 194 msf of total developable area across 85 projects as on March 31, 2023.

Key financial indicators

GPL Consolidated	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Audited)
Operating income (Rs. crore) ¹	1211.2	2,325.4	2,744.5
PAT (Rs. crore) ²	-73.4	539.3	661.3
OPBDIT/OI (%)	9.3%*	27.2%	27.0%
PAT/OI (%)	-6.0%	23.2%	24.1%
Total outside liabilities/Tangible net worth (times)	0.9	1.0	1.5
Total debt/OPBDIT (times)	40.2*	8.1	8.6
Interest coverage (times) ³	0.6*	3.8	4.2

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Note: Amount in Rs. crore; All calculations are as per ICRA's calculations, *after adjusting for one-time provisions (provision for employee incentives and provision on account of write-down of legacy projects) totalling to Rs. 197 crore in FY2021, adjusted OPBDIT/OI, adjusted Total Debt/OPBDIT and adjusted Interest coverage of 25.6%, 14.6 times and 1.7 times respectively; ^ adjusted OPBDIT/OI of -17.8% after adjusting for one-time provisions in FY2021;

Source: Company, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information:

For the previous rated NCD of Rs. 1,500 crores (out of total rated NCD of Rs. 2,000 crore), the company also faces the risk of debt acceleration due to rating linked covenants (in case the rating of the debenture falls to 'A+' or lower by any rating agency). Upon failure to meet the covenant, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the rating would face pressure.

¹ Includes interest income earned on investments and loans and advances made to JVs and associates for FY2021, FY2022 and FY2023; Not including share of profit from JVs/Associates.

² Not including share of profit from JVs/Associates.

³ Not including interest income earned by the company except interest income earned on investments and loans and advances made to JVs and associates for FY2021, FY2022 and FY2023.

Rating history for past three years

Current rating (FY2024)					Chronology of rating history for the past 3 years										
Instrument	Type	Amount rated (Rs. crore)	Amount outstanding as of Jun 30, 2023 (Rs. crore)	Date & rating in FY2024				Date & rating in FY2023				Date & rating in FY2022		Date & rating in FY2021	
				Oct 06, 2023	Aug 21, 2023	Jun 22, 2023	Jan 03, 2023	Sep 14, 2022	Sep 01, 2022	Jul 29, 2022	Apr 5, 2022	Apr 6, 2021	Jun 11, 2020	Apr 27, 2020	
1	Long-term – Fund-based/CC	Long term	2,575.0	2,495.7	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA + (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
2	Long-term – Non-fund based limits	Long term	350.0	229.7	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA + (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
3	Long-term/ Short-term – Unallocated Limits	Long term/ Short term	1,575.0	1,575.0	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA + (Stable)/ [ICRA]A1	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA (Positive)/ [ICRA]A1+	[ICRA]AA (Positive)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+
4	Commercial paper (CP) Programme	Short term	2,000.0	1,850.0*	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1 +	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5	Non-convertible debenture (NCD) programme	Long term	1,000.0	1,000.0	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA + (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
6	Non-convertible debenture (NCD) programme	Long term	2,000.0	Nil	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	-	-	-	-	-	-	-	-
7	Non-convertible debenture (NCD) programme	Long term	2,000.0	Nil	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	-	-	-	-	-	-	-	-	-

* denotes maturity value of commercial paper

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based/CC	Simple
Long-term – Non-fund based limits	Very Simple
Long-term/ Short-term – Unallocated Limits	Not applicable
Commercial paper (CP) Programme	Very Simple
Non-convertible debenture (NCD) programme	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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE484J08022	NCD	July, 2020	7.50%	31-July, 2023	1000	[ICRA]AA+ (Stable)
INE484J08030	NCD	July, 2023	8.15%	03-Jul-2026	750	[ICRA]AA+ (Stable)
INE484J08048	NCD	July, 2023	8.25%	03-Jul-2028	750	[ICRA]AA+ (Stable)
INE484J08055	NCD	September, 2023	8.30%	19-Mar-2027	1,000	[ICRA]AA+ (Stable)
INE484J08063	NCD	September, 2023	8.50%	20-Sep-2028	160	[ICRA]AA+ (Stable)
NA	NCD (Yet to be placed)	-	-	-	1,340	[ICRA]AA+ (Stable)
-	Long Term – Fund Based – Cash Credit	-	-	-	2,575	[ICRA]AA+ (Stable)
-	Long Term - Non-Fund Based – Bank Guarantee	-	-	-	350	[ICRA]AA+ (Stable)
-	Long Term/Short term – Unallocated	-	-	-	1,575	[ICRA]AA+ (Stable)/ [ICRA]A1+
INE484J14QO9	Commercial Paper	15-Mar-2023	NA	29-Aug-2023	4	[ICRA]A1+
INE484J14QW2	Commercial Paper	13-Apr-2023	NA	13-Jul-2023	75	[ICRA]A1+
INE484J14QX0	Commercial Paper	17-Apr-2023	NA	17-Jul-2023	25	[ICRA]A1+
INE484J14QY8	Commercial Paper	19-Apr-2023	NA	19-Jul-2023	50	[ICRA]A1+
INE484J14QZ5	Commercial Paper	25-Apr-2023	NA	25-Jul-2023	25	[ICRA]A1+
INE484J14RD0	Commercial Paper	19-May-2023	NA	18-Aug-2023	75	[ICRA]A1+
INE484J14RA6	Commercial Paper	17-May-2023	NA	14-Aug-2023	50	[ICRA]A1+
INE484J14RA6	Commercial Paper	17-May-2023	NA	14-Aug-2023	25	[ICRA]A1+
INE484J14RC2	Commercial Paper	23-May-2023	NA	22-Aug-2023	75	[ICRA]A1+
INE484J14RB4	Commercial Paper	25-May-2023	NA	24-Aug-2023	75	[ICRA]A1+
INE484J14RE8	Commercial Paper	26-May-2023	NA	24-Nov-2023	90	[ICRA]A1+
INE484J14RG3	Commercial Paper	30-May-2023	NA	23-Nov-2023	15	[ICRA]A1+
INE484J14RG3	Commercial Paper	30-May-2023	NA	23-Nov-2023	10	[ICRA]A1+
INE484J14RH1	Commercial Paper	30-May-2023	NA	10-Nov-2023	15	[ICRA]A1+
INE484J14RF5	Commercial Paper	31-May-2023	NA	28-Nov-2023	100	[ICRA]A1+
INE484J14RI9	Commercial Paper	02-Jun-2023	NA	30-Nov-2023	100	[ICRA]A1+
INE484J14RL3	Commercial Paper	06-Jun-2023	NA	05-Sep-2023	21	[ICRA]A1+
INE484J14RH1	Commercial Paper	05-Jun-2023	NA	10-Nov-2023	75	[ICRA]A1+
INE484J14RL3	Commercial Paper	06-Jun-2023	NA	05-Sep-2023	25	[ICRA]A1+
INE484J14RK5	Commercial Paper	08-Jun-2023	NA	07-Sep-2023	100	[ICRA]A1+
INE484J14RJ7	Commercial Paper	12-Jun-2023	NA	11-Sep-2023	100	[ICRA]A1+
INE484J14RM1	Commercial Paper	14-Jun-2023	NA	13-Sep-2023	70	[ICRA]A1+
INE484J14RO7	Commercial Paper	19-Jun-2023	NA	18-Sep-2023	75	[ICRA]A1+
INE484J14RN9	Commercial Paper	16-Jun-2023	NA	15-Sep-2023	75	[ICRA]A1+
INE484J14RP4	Commercial Paper	22-Jun-2023	NA	21-Sep-2023	75	[ICRA]A1+
INE484J14RU4	Commercial Paper	26-Jun-2023	NA	25-Sep-2023	100	[ICRA]A1+

INE484J14RS8	Commercial Paper	26-Jun-2023	NA	22-Dec-2023	50	[ICRA]A1+
INE484J14RV2	Commercial Paper	28-Jun-2023	NA	28-Dec-2023	50	[ICRA]A1+
INE484J14RT6	Commercial Paper	26-Jun-2023	NA	15-Dec-2023	50	[ICRA]A1+
INE484J14RR0	Commercial Paper	27-Jun-2023	NA	26-Sep-2023	50	[ICRA]A1+
INE484J14RQ2	Commercial Paper	27-Jun-2023	NA	26-Dec-2023	100	[ICRA]A1+
INE484J14RW0	Commercial Paper	30-Jun-2023	NA	27-Dec-2023	15	[ICRA]A1+
INE484J14RW0	Commercial Paper	30-Jun-2023	NA	27-Dec-2023	10	[ICRA]A1+
-	Commercial Paper [#]	-	-	-	150	[ICRA]A1+

Source: Company; [#] proposed Commercial Paper which is not placed as on date

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

Annexure II: List of entities considered for consolidated analysis

Entity Name	Ownership ⁴	Consolidation Approach
Subsidiaries		
Godrej Projects Development Limited	100%	Full Consolidation
Godrej Garden City Properties Private Limited	100%	Full Consolidation
Godrej Hillside Properties Private Limited	100%	Full Consolidation
Godrej Home Developers Private Limited	100%	Full Consolidation
Godrej Prakriti Facilities Private Limited	100%	Full Consolidation
Prakriti plaza Facilities Management Pvt. Ltd	100%	Full Consolidation
Godrej Highrises Properties Pvt. Ltd	100%	Full Consolidation
Godrej Genesis Facilities Management Private Limited	100%	Full Consolidation
Citystar InfraProjects Ltd	100%	Full Consolidation
Godrej Residency Pvt. Ltd	50.01%	Full Consolidation
Godrej Properties Worldwide Inc., USA	100%	Full Consolidation
Godrej Precast Construction Private Limited	100%	Full Consolidation
Godrej Green Woods Private Limited	100%	Full Consolidation
Godrej Realty Private Limited	100%	Full Consolidation
Godrej Living Private Limited (w.e.f. 1 February 2022)	100%	Full Consolidation
Ashank Land & building Private Limited (w.e.f. 19 May 2022)	100%	Full Consolidation
Godrej Home Constructions Limited (previously Godrej Home Constructions Private Limited)	100%	Full Consolidation
Wonder City Buildcon Limited (previously Wonder City Buildcon Private Limited)	100%	Full Consolidation
Godrej Highrises Realty LLP	100%	Full Consolidation
Godrej Project Developers & Properties LLP	100%	Full Consolidation
Godrej Skyview LLP	100%	Full Consolidation
Godrej Green Properties LLP	100%	Full Consolidation
Godrej Projects (Soma) LLP	100%	Full Consolidation
Oasis Landmarks LLP	51%	Full Consolidation
Godrej Athenmark LLP	100%	Full Consolidation
Godrej City Facilities Management LLP	100%	Full Consolidation
Godrej Florentine LLP	100%	Full Consolidation
Godrej Olympia LLP	100%	Full Consolidation
Ashank Realty Management LLP	100%	Full Consolidation
Ashank Facility Management LLP	100%	Full Consolidation
Godrej Construction Projects LLP	100%	Full Consolidation
Maan-Hinge Township Developers LLP (classified as Joint Venture upto March 28, 2023)	99%	Full Consolidation
Godrej Reserve LLP (classified as Joint Venture upto September 30, 2022)	99.8%	Full Consolidation

⁴ Share of profits in case of LLPs

Entity Name	Ownership ⁴	Consolidation Approach
Godrej Vestamark LLP	100%	Full Consolidation
Joint Ventures (JV)		
Godrej Redevelopers (Mumbai) Private Limited	51%	Equity Method
Godrej Greenview Housing Pvt. Ltd	20%	Equity Method
Wonder Projects Development Pvt. Ltd	20%	Equity Method
Godrej Real View Developers Pvt. Ltd	20%	Equity Method
Pearlite Real Properties Pvt. Ltd	49%	Equity Method
Godrej Skyline Developers Private Limited	44%	Equity Method
Godrej Green Homes Private Limited	50%	Equity Method
Godrej Macbricks Private Limited	20%	Equity Method
Munjal Hospitality Private Limited	12%	Equity Method
Vivrut Developers Private Limited	20%	Equity Method
Madhuvan Enterprises Private Limited	20%	Equity Method
Vagishwari Land Developers Private Limited (w.e.f. 10 June 2021)	20%	Equity Method
Yerwada Developers Private Limited (w.e.f. 31 January 2022)	20%	Equity Method
Godrej Property Developers LLP	32%	Equity Method
Mosiac Landmarks LLP	1%	Equity Method
Dream World Landmarks LLP	40%	Equity Method
Oxford Realty LLP	35%	Equity Method
Godrej SSPDL Green Acres LLP	37%	Equity Method
M S Ramaiah Ventures LLP	49.5%	Equity Method
Caroa Properties LLP	35%	Equity Method
Godrej Housing Projects LLP	50%	Equity Method
Godrej Amitis Developers LLP	46%	Equity Method
A R Landcraft LLP	40%	Equity Method
Prakhhyat Dwellings LLP	50%	Equity Method
Godrej Highview LLP	40%	Equity Method
Godrej Irismark LLP	50%	Equity Method
Godrej Projects North Star LLP	55%	Equity Method
Godrej Developers & Properties LLP	37.5%	Equity Method
Roseberry Estate LLP	49%	Equity Method
Suncity Infrastructures (Mumbai) LLP	60%	Equity Method
Mahalunge Township Developers LLP	40%	Equity Method
Manyata Industrial Parks LLP	1%	Equity Method
Manjari Housing Projects LLP	40%	Equity Method
Universal Metro Properties LLP	49%	Equity Method
Godrej Odyssey LLP	55%	Equity Method
Embellish Houses LLP	50%	Equity Method
Godrej Projects North LLP (w.e.f 3 December 2021)	50.10%	Equity Method
Associate Company		
Godrej One Premises Management Pvt. Ltd	30%	Equity Method

Source: Company

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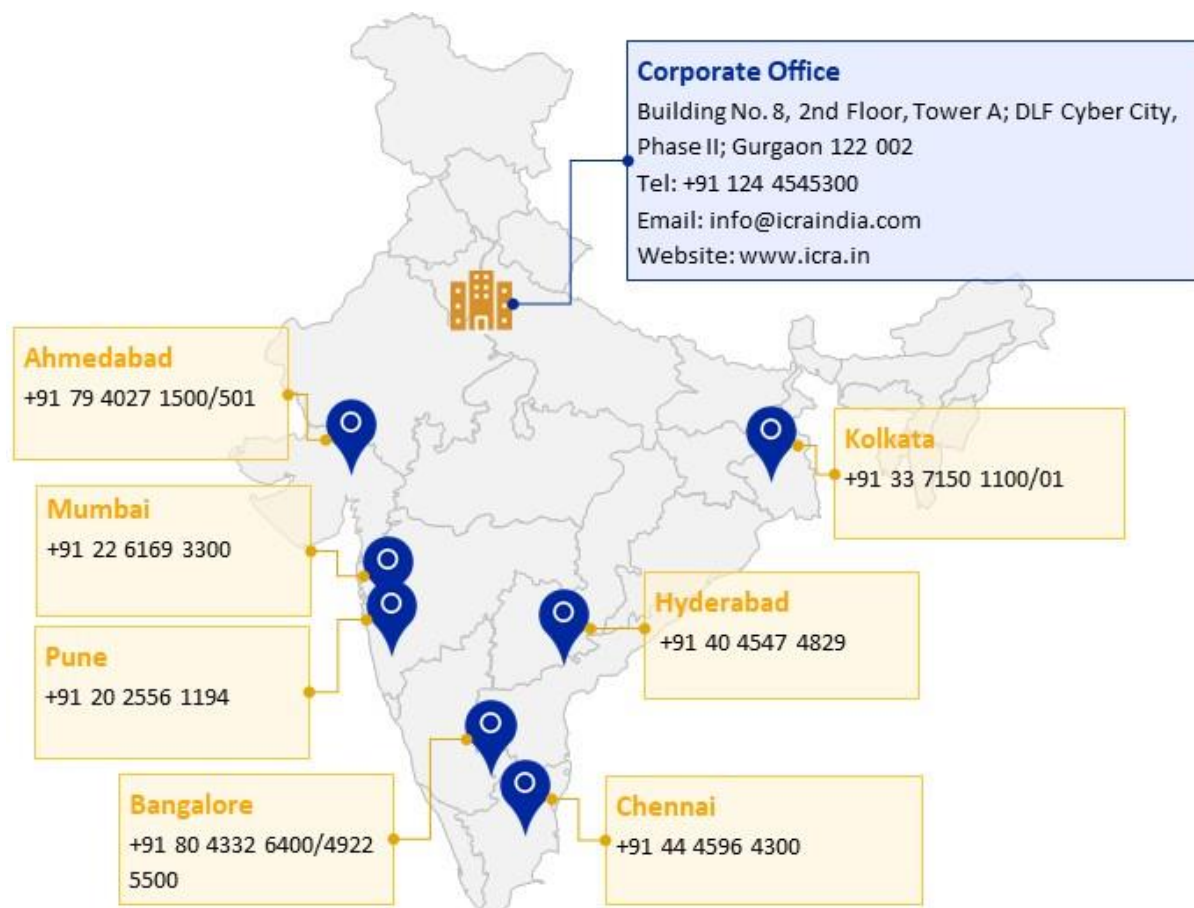


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