

March 31, 2025

## Gaursons Hi-Tech Infrastructure Private Limited: Rating upgraded to [ICRA]A- (Stable) from [ICRA] BBB+ (Stable); rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	754.03	983.00	[ICRA]A- (Stable); upgraded from [ICRA]BBB+ (Stable); assigned for enhanced amount
Long-term – Fund-based – Cash credit	15.25	14.60	[ICRA]A- (Stable); upgraded from [ICRA]BBB+ (Stable)
Long-term – Non-fund based	63.75	107.57	[ICRA]A- (Stable); upgraded from [ICRA]BBB+ (Stable); assigned for enhanced amount
Long-term – Unallocated	27.21	95.07	[ICRA]A- (Stable); upgraded from [ICRA]BBB+ (Stable); assigned for enhanced amount
<b>Total</b>	<b>860.24</b>	<b>1200.24</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating upgrade for Gaursons Hi-Tech Infrastructure Pvt Ltd (GHIPL) factors in the estimated improvement in the overall collections (including residential, retail mall and hotel) to around Rs. 1,450-1,500 crore in FY2025, which are likely to remain healthy in FY2026, along with the improvement in the credit profile of the parent, [Gaursons India (P) Ltd, rated ICRA A- (Stable)]. The healthy sales performance of its residential project Gaur NYC Residencies with a total sales value of Rs. 2,641 crore, since its launch in August 2024 as reflected by 82% of area sold as of November 2024, along with the expected healthy pace of construction and strong occupancy of Gaur City mall is likely to support the medium-term collections. The commercial project, Gaur City mall has around ~95% occupancy (leasable area of 0.84 million square feet (msf)) as of November 2024 is projected to generate annualised rentals of Rs. 100-110 crore. As of November 2024, around 75% of the company's total external debt is against rental collections from the leased portfolio (including retail and hotel segments). The overall cashflow from operations is also estimated to increase to around Rs. 500-550 crore in FY2025 and by another 7-10% in FY2026, leading to an improvement in the debt coverage metrics and total debt/CFO. The company's cash flow adequacy cover<sup>1</sup> remains healthy at around 159% as of November 2024, aided by committed receivables of Rs. 2,291 crore in its residential project. Further, ICRA expects Gaursons India (P) Ltd to provide timely financial support to GHIPL, for any funding shortfall, given the common promoters and the Gaursons Group's reputation from the consequences of a subsidiary's distress. The rating derives comfort from the established market position of Gaursons Group, with a track record of around three decades in the real estate industry, particularly in Ghaziabad, Noida and Greater Noida regions, and the Group's strong project execution and sales capabilities. The rating favourably notes the Group's diversified operations across residential, commercial, retail, education and hospitality segments.

The rating is, however, constrained by GHIPL's exposure to high execution risk as only 5% of the project cost has been incurred till November 2024 and moderate market risk for the ongoing residential project – Gaur NYC Residencies. The rating is further constrained by the company's exposure to high geographical and project concentration risks due to dependence on a single residential project in the National Capital Region (NCR). The same is, however, partly mitigated by the diversified operations across residential, commercial, retail and hospitality segments. The rating factors in the vulnerability of its sales to any

<sup>1</sup> Cashflow adequacy cover = Committed receivables / (Pending cost of ongoing projects + debt O/s for ongoing residential projects)

downturn in real estate demand and stiff competition within the region from various established real estate players. Moreover, the Group is exposed to volatility in occupancy levels or rent rates.

Further, ICRA has considered the Income Tax (IT) department's search operations on the company's properties in FY2022. As per ICRA's discussions with the management, the matter is still under investigation. ICRA will continue to monitor these developments and take rating action, if required, as more clarity emerges on these issues.

The Stable outlook on the long-term rating reflects ICRA's expectation that the sales and collections from the Group's ongoing and upcoming projects will remain comfortable, while sustaining strong occupancy levels in the commercial lease portfolio supporting adequate debt protection metrics.

## Key rating drivers and their description

### Credit strengths

**Established track record of Gaursons Group in real estate market in NCR** – The Gaursons Group has an established market position in the NCR market, with a track record of around three decades in the real estate industry, particularly in Ghaziabad, Noida and Greater Noida regions. It also has strong project execution and sales capabilities. The rating favourably notes the Group's diversified operations across residential, commercial, retail, education, and hospitality segments. The Group has delivered more than 60 msf of residential and commercial projects across NCR.

**Expected improvement in collection and CFO in FY2025 and FY2026** – The healthy sales performance of its residential project Gaur NYC Residencies with a total sales value of Rs. 2,641 crore, since its launch in August 2024 as reflected by 82% of area sold as of November 2024, along with the expected healthy pace of construction and strong occupancy of Gaur City mall is likely to support collections in the medium term. The commercial project, Gaur City mall has around ~95% occupancy (leasable area of 0.84 msf) as of November 2024 is estimated to generate annualised rentals of Rs. 100-110 crore. The overall cash flow from operations is anticipated to increase to around Rs. 500-550 crore in FY2025 and by another 7-10% in FY2026, leading to an improvement in the debt coverage metrics and total debt/CFO.

**Healthy cash flow adequacy ratio** – Backed by improvement in sales velocity, the company's cash flow adequacy cover remains healthy at around 159% as of November 2024, aided by committed receivables of Rs. 2,291 crore in its residential project.

### Credit challenges

**Exposure to execution and project market risk** – GHIPL is exposed to high execution risk as only 5% of the project cost has been incurred till November 2024 and moderate market risk for the ongoing residential project – NYC Residencies as 18% of the inventory is yet to be sold out as of November 2024.

**Geographical and asset concentration risk** – The company is exposed to high geographical and project concentration risks due to dependence on a single residential project in the NCR. The same is, however, mitigated by its diversified operations across residential, commercial, retail and hospitality segments.

**Exposure to risk and cyclicity in real estate sector** – The residential real estate sector, being cyclical in nature is highly dependent on macro-economic factors, which exposes the sales to any downturn in demand and competition within the region from various other developers.

### Liquidity position: Adequate

The company's liquidity position remains adequate, given the healthy committed receivables of Rs. 2,291 crore available from the project. It has undrawn bank limits amounting to Rs. 110 crore for funding the construction for the newly launched project, along with free cash and bank balance of Rs. 47 crore as of November 2024. Further, GHIPL has repayment obligation of Rs. 130 crore in FY2026, which is expected to be comfortably met through its cash flow from operations.

## Rating sensitivities

**Positive factors** – The rating could be upgraded if the company is able to report significant and sustained increase in sales and collections while maintaining comfortable debt protection metrics, on a consistent basis, along with improvement in the credit profile of GIPL.

**Negative factors** – Negative pressure on the rating could arise in case of a decline in sales, collection or significant delay in project execution or material increase in indebtedness, which weakens the debt protection metrics and liquidity position. The rating may be downgraded in case of weakening of linkages with GIPL or if there is any deterioration in credit profile of GIPL.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Realty - Commercial/Residential/Retail</a> <a href="#">Realty - Lease Rental Discounting (LRD)</a>
Parent/Group support	Group Company: Gaursons India Pvt Ltd (GIPL) ICRA expects GIPL to extend timely financial support to GHIPL, if need arises, given their strategic importance to GIPL as there are business linkages, common management, common treasury team and GIPL's reputation sensitivity to default. Further, GIPL has also given corporate guarantee for the loan availed by Gaursons Hi-Tech Infrastructure Pvt Ltd.
Consolidation/Standalone	Standalone

## About the company

Gaursons Hi-Tech Infrastructure Private Limited (GHPL) was incorporated in 2006 and is a subsidiary of Gaursons India Ltd, which is the parent company of the Gaursons Group. GHPL was incorporated in January 2006 and is in the business of construction and development of real estate. At present, the company is developing three residential projects – 7th Avenue, Farmhouse 03 and Gaur NYC Residencies. In addition, it has several commercial projects including 7th Avenue High Street (sector 4, Noida Extension), Gaur City Centre (Gaur Chowk, Greater Noida), Gaur City Mall and one Multi Level Parking in Greater Noida. Gaur City Mall is being operated on a lease model.

## Key financial indicators (audited)

GHIPL	FY2023	FY2024
Operating income	1175.8	1162.9
PAT	62.5	34.2
OPBDIT/OI	16.5%	14.6%
PAT/OI	5.3%	2.9%
Total outside liabilities/Tangible net worth (times)	24.5	17.7
Total debt/OPBDIT (times)	4.6	6.9
Interest coverage (times)	2.1	1.5

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 (FY2025)				Chronology of rating history for the past 3 years					
				FY2024		FY2023		FY2022	
Instrument	Type	Amount rated (Rs. crore)	Mar 31, 2025	Date	Rating	Date	Rating	Date	Rating
<b>Fund-based — Term loan</b>	Long Term	983.00	<b>[ICRA]A-(Stable)</b>	Feb-20-24	[ICRA]BBB+(Stable)	Dec-30-22	[ICRA]BBB+(Stable)	Sep-16-21	[ICRA]BBB+(Stable)
<b>Fund-based — Cash credit</b>	Long Term	14.60	<b>[ICRA]A-(Stable)</b>	Feb-20-24	[ICRA]BBB+(Stable)	Dec-30-22	[ICRA]BBB+(Stable)	Sep-16-21	[ICRA]BBB+(Stable)
<b>Non-fund-based</b>	Long Term	107.57	<b>[ICRA]A-(Stable)</b>	Feb-20-24	[ICRA]BBB+(Stable)	Dec-30-22	[ICRA]BBB+(Stable)	Sep-16-21	[ICRA]BBB+(Stable)
<b>Unallocated</b>	Long Term	95.07	<b>[ICRA]A-(Stable)</b>	Feb-20-24	[ICRA]BBB+(Stable)	-	-	Sep-16-21	[ICRA]BBB+(Stable)

### Complexity level of the rated instruments

Instrument	Complexity indicator
<b>Long-term – Fund-based – Term loan</b>	Simple
<b>Long-term – Fund-based – Cash credit</b>	Simple
<b>Long-term – Non-fund based</b>	Very Simple
<b>Long-term – Unallocated</b>	Not Applicable

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
NA	Term loan I	Dec-2019	9.50%	FY2031	151.26	[ICRA]A- (Stable)
NA	Term loan II	Dec-2021	9.50%	FY2032	93.87	[ICRA]A- (Stable)
NA	Term loan III	Nov-2022	9.50%	FY2033	101.56	[ICRA]A- (Stable)
NA	Term loan IV	Aug-2023	9.50%	FY2036	90.12	[ICRA]A- (Stable)
NA	Term loan V	Mar-2024	9.50%	FY2036	128.59	[ICRA]A- (Stable)
NA	Term loan VI	Aug-2024	9.50%	FY2037	90.30	[ICRA]A- (Stable)
NA	Term loan VII	Mar-2024	12.00%	FY2029	177.15	[ICRA]A- (Stable)
NA	Term loan VIII	Aug-2024	12.60%	FY2030	75.15	[ICRA]A- (Stable)
NA	Term loan IX	Aug-2024	11.60%	FY2030	75.00	[ICRA]A- (Stable)
NA	OD/Working capital limits	FY2021	-	-	14.60	[ICRA]A- (Stable)
NA	Non-fund based limits – Bank guarantee	FY2021	-	-	107.57	[ICRA]A- (Stable)
NA	Unallocated	NA	NA	NA	95.07	[ICRA]A- (Stable)

Source: Company

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

**Annexure II: List of entities considered for consolidated analysis – NA**

## ANALYST CONTACTS

**Ashish Modani**  
+91 20 6169 3328  
[ashish.modani@icraindia.com](mailto:ashish.modani@icraindia.com)

**Anupama Reddy**  
+91 40 6939 6427  
[anupama.reddy@icraindia.com](mailto:anupama.reddy@icraindia.com)

**Sweta Shroff**  
+91 124 4545 307  
[Sweta.shroff@icraindia.com](mailto:Sweta.shroff@icraindia.com)

**Yash Garg**  
+91 124 4545 337  
[yash.garg@icraindia.com](mailto:yash.garg@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

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

Tel: +91 11 23357940-45



### Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.