April 09, 2025

Fastidious Buildmart 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	200.72	70.25	[ICRA]BBB+ (Stable); reaffirmed
Long-term – Fund-based – Overdraft	37.60	0.00	-
Long-term – Unallocated	60.39	228.46	[ICRA]BBB+ (Stable); reaffirmed
Total	**298.71**	**298.71**	

**Instrument details are provided in Annexure I*

Rationale

The rating reaffirmation for the bank facilities of Fastidious Buildmart Private Limited (FBPL) favourably factors in the adequate sales performance for the phase 1 (6.1 lakh square feet(lsf) of area) of the World Street Mall project with 79% of the total area sold as of November 2024 and healthy leverage metrics. The company has completed the construction of phase 1 of the project in June 2023. The company's collections are expected to remain in the range of Rs 180-190 crores in FY2026 leading to adequate cashflow from operations (CFO). This coupled with estimated moderate external debt levels of Rs 110-120 crores as of March 2026 is likely to result in healthy leverage, total external Debt/CFO, of 0.8-1.0 times as of March 2026. The company has committed receivables of Rs 116 crore as of November 2024 against the outstanding debt of Rs 83.1 crore and pending construction cost of Rs 102 crore leading to adequate cashflow adequacy ratio[1] of 61% as of November 2024. The rating also takes into account the favourable location of the project, which enhances the marketability of the project. Further, ICRA expects Gaursons India (P) Ltd to provide timely financial support to FBPL, 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 the company's exposure to high geographical concentration risks due to dependence on a single retail project in one region in NCR. The rating is further exposed to the market risk for the unsold area of 1.3 lsf in the phase 1 of the project and 3.9 lsf of area for the phase 2 of the project which is yet to be launched for the sales along with the moderate scale of operations. Moreover, being a cyclical industry, the real estate business 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.

Further, ICRA has considered the Income Tax (IT) department's search operations on the Group'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 FBPL's rating reflects ICRA's expectation that the company will benefit from favourable location of the project, which will enhance its saleability while maintaining healthy leverage metrics.

[1] *Cashflow adequacy ratio = Pending collections / (Pending construction cost + total external debt o/s)*

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, 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.

Favourable location of the project – The company is developing a retail project, World Street Mall, having a total saleable area of 10 lakh square feet (lsf) of area in NCR. The rating takes into account the favourable location of the project being located in Sector 16B, Greater Noida, which enhances the marketability of the project. The project witnessed booking of 79% of the total saleable area for the first phase of the projects as of November 2024 for a total sales consideration of Rs 782 crores.

Healthy leverage – The company's collections are expected to remain in the range of Rs 180-190 crores in FY2026 leading to adequate cashflow from operations (CFO). This coupled with estimated moderate external debt levels of Rs 110-120 crores as of March 2026 is likely to result in healthy leverage, total external Debt/CFO, of 0.8-1.0 times as of March 2026. The company has committed receivables of Rs 116 crore as of November 2024 against the outstanding debt of Rs 83.1 crore and pending construction cost of Rs 102 crore leading to adequate cashflow adequacy ratio of 61% as of November 2024.

Credit challenges

Geographical concentration risk – The company is exposed to high geographical concentration risks due to dependence on a single retail project in one region in NCR.

Moderate scale of operations; project exposed to market risk – The project is exposed to the market risk for the unsold area of 1.3 lsf in the phase 1 of the project and 3.9 lsf of area for the phase 2 of the project which is yet to be launched for the sales along with the moderate scale of operations with the estimated collections in the range of Rs 180-190 crores for FY2026.

Exposure to risk and cyclicality in India's 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. 116 crores available from the project against pending cost of Rs 102 crore and debt outstanding of Rs 83.1 crore as of November 2024. The company has debt repayment obligations of Rs 83 crore in FY2026 which will be adequately met through its cashflow from operations. Additionally, the company has free cash and bank balance of Rs 1.0 crore as of November 2024.

Rating sensitivities

Positive factors – The rating could be upgraded, if the company is able to report healthy sales velocity in the project resulting in a sustained improvement in collections, cashflows from operation and leverage position.

Negative factors – Negative pressure on the ratings could arise in case of subdued sales and collections or material increase in indebtedness which weakens the leverage metrics and liquidity position. The rating may be downgraded in case of weakening of linkages with GIPL or if there is deterioration in credit profile of GIPL.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail
Parent/Group support	Group Company: Gaursons India (P) Ltd (GIPL) ICRA expects GIPL to extend timely financial support to FBPL, 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 Fastidious Buildmart Private Limited.
Consolidation/Standalone	Standalone

About the company

Fastidious Buildwell Private Limited is a subsidiary of Gaursons India (P) Ltd, is engaged into real estate development and is currently developing its first real estate project – World Street in Greater Noida with total saleable area of around 1 msf. The project is located near Gaur Saundaryam and Gaur City Mall and benefits from good connectivity with Noida, Greater Noida and New Delhi.

Key financial indicators (audited)

FBPL	FY2023	FY2024
Operating income	0.0	151.9
PAT	-11.5	36.2
OPBDIT/OI	-	33.2%
PAT/OI	-	23.9%
Total outside liabilities/Tangible net worth (times)	-10.2	-20.6
Total debt/OPBDIT (times)	-29.8	4.1
Interest coverage (times)	-21.3	22.6

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 (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Apr 09, 2025	Date	Rating	Date	Rating	Date	Rating
Term loan	Long Term	70.25	**[ICRA]BBB+ (Stable)**	-	-	Feb-20-24	[ICRA]BBB+ (Stable)	Dec-30-22	[ICRA]BBB+ (Stable)
Overdraft	Long Term	0.00	**[ICRA]BBB+ (Stable)**	-	-	Feb-20-24	[ICRA]BBB+ (Stable)	Dec-30-22	[ICRA]BBB+ (Stable)
Unallocated	Long Term	228.46	**[ICRA]BBB+ (Stable)**	-	-	Feb-20-24	[ICRA]BBB+ (Stable)	Dec-30-22	[ICRA]BBB+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple

Long-term – Unallocated	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**	Aug 24, 2023	-	Aug 2028	70.25	[ICRA]BBB+ (Stable)
NA	**Unallocated**	-	-	-	228.46	[ICRA]BBB+ (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 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

Yash Garg
+91 124 4545 337
yash.garg@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

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

ICRA

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches