

December 15, 2025

Gaursons India (P) Ltd: Rating assigned for proposed NCD programme and reaffirmed for existing instruments; 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	273.13	273.13	[ICRA]A- (Stable); Reaffirmed
Long Term-Non Fund Based- Others	40.00	40.00	[ICRA]A- (Stable); Reaffirmed
Long Term-Unallocated- Unallocated	164.08	164.08	[ICRA]A- (Stable); Reaffirmed
Non-Convertible Debentures [^]	350.00	350.00	[ICRA]A- (Stable); Reaffirmed
Non-Convertible Debentures [^]	0.00	100.00	[ICRA]A- (Stable); Assigned
Total	827.21	927.21	

*Instrument details are provided in Annexure I; [^]Proposed

Rationale

To arrive at the rating of Gaursons India (P) Ltd (GIPL), ICRA has considered the consolidated financials of GIPL, as well as its subsidiaries and associates (together referred as the Gaursons Group), given the close business, financial and managerial linkages between the group entities along with the common management and treasury team.

The rating reaffirmation for the bank facilities of GIPL factors in the healthy improvement in the Group's scale of operations in terms of estimated collections in FY2026, driven by healthy sales velocity in the ongoing as well as newly launched residential projects, along with expected healthy sales from commercial projects. The Group's collections are projected to improve by 30-32% in FY2026 (Rs. 1695 crore in FY2025). In addition, the commercial projects, Gaur City mall and Gaur Central mall have around ~92% occupancy (leasable area of 1.04 msf) as of June 2025, which is estimated to generate annualised rentals of Rs. 130-135 crore. The group's total external debt increased to around Rs. 2086 crore as of August 2025 from Rs. 1617 crore as of March 2025, however, with improvement in sales and collections, along with steady pace of construction, the cash flow from operations (CFO) is likely to increase leading to comfortable Total External Debt/CFO, which is estimated to remain in the range of 2.5-2.7 times as of March 2026 and in the range of 2.1-2.3 and March 2027 (1.9 times as of March 2025). The Group's cash flow adequacy cover¹ remains healthy at around 135% as of June 2025 (as against 156% as of November 2024), aided by healthy committed receivables in both residential and commercial projects (for sale). GIPL proposes to raise Rs 450 crores of NCDs, which would be utilized towards general corporate purposes, investment in land and property and for construction of ongoing/future projects. The rating continues to derive comfort from the established market position of the 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 Group's credit profile remains exposed to execution and market risks for the newly launched residential projects (Gaur NYC Residencies and Legacy by Gaur), ongoing commercial projects for sale (World Street Mall and Gaur Aero Mall) and proposed launches over the next two years of 10-11 msf. The Group availed debt for projects with the existing surplus cash flows and used the proceeds to fund land investments. Consequently, the company's debt/net working capital remains high, and improvement in the same would be vital from the credit perspective. The Group's unsold finished inventory in the residential and commercial projects stood at ~Rs. 1,300 crore, wherein the sales velocity has been slow in some of the projects. ICRA notes that there is no debt outstanding against the slow-moving completed inventory. The Group faces geographical

concentration risk with most of its ongoing projects located in the National Capital Region (NCR), particularly in Noida, Greater Noida and Ghaziabad, thereby exposing it to fluctuations in a single market's performance. Notwithstanding the Group's long and established track record in NCR, it remains vulnerable to the inherent cyclical nature in the real estate industry, which is highly dependent on macro-economic factors, and exposes its sales to any downturn in demand.

As of August 2025, around 47% of the Group's external debt is against rental collections from the leased portfolio (including retail, hotel and education segments). ICRA expects the LRD debt/rentals of the leased portfolio to be ~5.0 to 5.5 times in the medium term. Moreover, the Group is exposed to volatility in occupancy levels or rent rates.

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 appropriate rating action, if required, as more clarity emerges on these issues.

The Stable outlook on the rating reflects that the Group will maintain healthy sales velocity in its ongoing and upcoming projects, leading to improvement in debt coverage metrics, while maintaining comfortable external debt/CFO.

Key rating drivers and their description

Credit strengths

Expected improvement in collections and CFO in FY2025 and FY2026; comfortable external debt/CFO – ICRA notes the healthy improvement in the Group's scale of operations in terms of estimated collections in FY2026, driven by healthy sales velocity in the ongoing as well as newly launched residential projects, along with expected healthy sales from commercial projects. The Group's collections are projected to improve by 30-32% in FY2026 (Rs. 1695 crore in FY2025). In addition, the commercial projects, Gaur City mall and Gaur Central mall have around ~92% occupancy (leasable area of 1.04 msf) as of June 2025, which is estimated to generate annualised rentals of Rs. 130-135 crore. The group's total external debt increased to around Rs. 2086 crore as of August 2025 from Rs. 1617 crore as of March 2025, however, with improvement in sales and collections, along with steady pace of construction, the cash flow from operations (CFO) is likely to increase leading to comfortable Total External Debt/CFO, which is estimated to remain in the range of 2.5-2.7 times as of March 2026 and in the range of 2.1-2.3 and March 2027 (1.9 times as of March 2025).

Healthy cash flow adequacy ratio – The Group's cash flow adequacy cover remains healthy at around 135% as of June 2025 (as against 156% as of November 2024), aided by healthy committed receivables in both residential and commercial projects (for sale).

Established real estate developer in NCR with diversified operations – The rating derives comfort from the established market position of the 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.

Credit challenges

Sizeable debt-funded investments in land resulted in leverage capital structure – The Group availed debt for projects with the existing surplus cash flows and used the proceeds to fund land investments. Consequently, the company's debt/net working capital remains high and significant improvement in the same would be a key monitorable. The gross debt remained at ~Rs. 2086 crore as of August 2025, of which around 47% of the Group's external debt is against rental collections from the leased portfolio (including retail, hotel and education segments). ICRA expects the LRD debt/rentals of the leased portfolio to be ~5.0 to 5.5 times in the medium term. The Group's cash flows, however, remains exposed to volatility in occupancy levels or rent rates.

Cyclical nature inherent in real estate sector and geographical concentration risk – Being a cyclical industry, the real estate business is highly dependent on macro-economic factors, which exposes its sales to any downturn in real estate demand. In

addition, the Group faces geographical concentration risk with most of its ongoing projects located in the National Capital Region (NCR), particularly in Noida, Greater Noida and Ghaziabad, thereby exposing it to fluctuations in a single market's performance.

Exposure to execution and market risks – The Group is exposed to execution and market risks for its newly launched residential projects (Gaur NYC Residencies and Legacy by Gaur), ongoing commercial projects for sale (World Street Mall and Gaur Aero Mall) and proposed launches over the next two years of 10-11 msf. Further, the Group's unsold finished inventory in the residential and commercial projects stood at ~Rs. 1,300 crore, where the sales velocity has been slow in some of the projects.

Liquidity position: Adequate

The Group's liquidity position is adequate. It has free cash and bank balances to the tune of Rs. 576.3 crore as of June 2025. The Group has debt repayment of around Rs. 140 crores in FY2026, which is expected to be adequately serviced by the cash flows from operations. Also, the Group has undrawn bank facilities of around Rs. 66 crores as of June 2025 for construction of the ongoing projects.

Rating sensitivities

Positive factors – The rating may be upgraded if there is a significant increase in sales and collections of the ongoing and upcoming projects, resulting in an improvement in cash flow from operations and debt protection metrics on a sustained basis. Specific credit metric that could result in a rating upgrade includes total debt/NWC lower than 1.0 times on a prolonged basis.

Negative factors – Downward pressure on the rating could emerge in case of subdued sales and/or collections, or significant delay in completion of the ongoing residential projects or large debt-funded land investments weakens the debt protection metrics and liquidity position and on a sustained basis. Specific triggers that could result in a rating downgrade include Gross Debt/CFO remaining higher than 3.5 times on a consistent basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has considered consolidated financials of GIPL along with its subsidiaries and associated, given the close business, financial and managerial linkages between the group entities along with a common management and treasury team.

About the company

Gaursons India (P) Ltd. (GIPL) was incorporated in 1995 as a private limited company and was later converted into a public limited company in 2000. It is promoted by Mr. B. L. Gaur and his two sons Mr. Rahul Gaur and Mr. Manoj Gaur. Till date, the Group has delivered more than ~60 msf of real estate projects in Delhi/NCR, particularly in Ghaziabad and Noida regions. The company and its subsidiaries are currently executing multiple residential, commercial, and retail projects in Ghaziabad, Noida and Greater Noida.

Key financial indicators (audited)

GIPL – Consolidated	FY2024	FY2025
Operating income	2,393.5	1,819.2
PAT	187.9	6.3
OPBDIT/OI	14.8%	8.2%
PAT/OI	7.9%	0.3%
Total outside liabilities/Tangible net worth (times)	10.8	9.8
Total debt/OPBDIT (times)	5.7	14.3
Interest coverage (times)	2.9	0.7

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								
			FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Dec 15, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long Term	273.13	[ICRA]A-(Stable)	Apr-09-25	[ICRA]A-(Stable)	Mar-31-25	[ICRA]A-(Stable)	Feb-20-24	[ICRA]BBB+(Stable)	Dec-30-22	[ICRA]BBB+(Stable)
				Oct-17-25	[ICRA]A-(Stable)	-	-	-	-	-	-
Cash credit	Long Term	0.00	-	-	-	Mar-31-25	[ICRA]A-(Stable)	Feb-20-24	[ICRA]BBB+(Stable)	Dec-30-22	[ICRA]BBB+(Stable)
Non-fund based	Long Term	40.00	[ICRA]A-(Stable)	Apr-09-25	[ICRA]A-(Stable)	-	-	-	-	-	-
				Oct-17-25	[ICRA]A-(Stable)	-	-	-	-	-	-
Unallocated	Long Term	164.08	[ICRA]A-(Stable)	Apr-09-25	[ICRA]A-(Stable)	Mar-31-25	[ICRA]A-(Stable)	Feb-20-24	[ICRA]BBB+(Stable)	-	-
				Oct-17-25	[ICRA]A-(Stable)	-	-	-	-	-	-
NCDs^	Long Term	350.00	[ICRA]A-(Stable)	Oct-17-25	[ICRA]A-(Stable)	-	-	-	-	-	-
NCDs^	Long Term	100.00	[ICRA]A-(Stable)	-	-	-	-	-	-	-	-

^Proposed

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long-term – Non-fund based	Simple
Long-term – Unallocated	Not Applicable
Proposed NCDs	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
NA	Term loan I	March, 2022	-	FY2038	102.00	[ICRA]A- (Stable)
NA	Term loan II	March, 2022	-	FY2028	71.13	[ICRA]A- (Stable)
NA	Term loan III	August 2023	-	FY2036	100.00	[ICRA]A- (Stable)
NA	Non-fund based	-	-	-	40.00	[ICRA]A- (Stable)
-	Non-Convertible Debentures^	-	-	-	350.00	[ICRA]A- (Stable)
-	Non-Convertible Debentures^	-	-	-	100.00	[ICRA]A- (Stable)
NA	Unallocated	NA	NA	NA	164.08	[ICRA]A- (Stable)

Source: Company; ^Proposed

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

Annexure II: List of entities considered for consolidated analysis

Company name	GIPL ownership	Consolidation approach
Gaursons India (P) Ltd	-	-
Gaursons Hi-Tech Infrastructure Private Limited	100%	Full Consolidation
Gaursons Realty Private Limited	55%	Full Consolidation
Gaursons Sportswood (P) Limited	42%	Full Consolidation
Gaursons Realtech (P) Limited	100%	Full Consolidation
Gaursons Promoters (P) Limited	100%	Full Consolidation
U.P. Township Infra (P) Limited	100%	Full Consolidation
Hare Krishna Tourism Development Pvt Ltd	100%	Full Consolidation
Gaursons Infratech Pvt Ltd	100%	Full Consolidation
Glorious Vanijya Pvt Ltd	100%	Full Consolidation
Atulyam Realtech Pvt Ltd	100%	Full Consolidation
Fastidious Buildmart Pvt Ltd	100%	Full Consolidation
Galaxy Infraheights Pvt Ltd	99%	Full Consolidation
Gaursons Mega Projects Private Limited	100%	Full Consolidation
Gaursons Educational Institutions Private Limited	**	Full Consolidation
IB Vogt Solar Four Private Limited	26% *	Full Consolidation

Source: Company; * Balance held by Gaursons Hi-tech infrastructure Private Limited; **the debt is guaranteed by GIPL; ICRA research

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