January 29, 2026

Godrej Green Homes Private Limited: Rating upgraded to [ICRA]AA- (Stable)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based – Term loan	950.00	950.00	[ICRA]AA- (Stable); upgraded from [ICRA]A+ (Stable)
Total	**950.00**	**950.00**	

**Instrument details are provided in Annexure I*

Rationale

The rating upgrade for Godrej Green Homes Private Limited (GGHPL) factors in the healthy committed occupancy of 100% as of December 2025 (PY: 100%), low leverage with scheduled amortisation of debt and strong debt coverage metrics, which are expected to sustain in the medium term. The leverage as measured by total external debt/annualised NOI is estimated to remain strong below 4.0 times in the medium term (FY2025: 3.3 times). Consequently, the debt coverage indicators are likely to remain strong, with five-year average DSCR of 1.65-1.70 times (FY2026-FY2030). The rating notes the favourable location of the property with good connectivity, which resulted in sustained healthy occupancy levels. ICRA takes note of GGHPL's strong sponsor profile, whose shareholders are Godrej Properties Limited (GPL, rated [ICRA]AA+ (Stable)/[ICRA]A1+)), GBTC I (Master) Pte. Ltd, a real estate investment fund that is managed by Godrej Fund Management Pte Ltd and Godrej Ventures and Investment Advisers Private Limited, which lends exceptional financial flexibility to the company.

These strengths are offset by the exposure to the geographical and asset concentration risks due to the single asset nature of development. The top five tenants occupy 40% of the leased area as of September 2025, exposing GGHPL to moderate tenant concentration risk, which heightens the market risk in case of any significant vacancy/non-renewal of leases. Nonetheless, these risks are partially offset by the reputed tenant profile and the large investments made by the tenants towards fitouts. While the rated instrument does not have a debt service reserve, the strong debt coverage metrics, track record of maintaining adequate liquidity and exceptional financial flexibility for the company partly mitigate the risk. The debt coverage ratios remain susceptible to material changes in occupancy, rental yield and interest rates.

The Stable outlook on the rating reflects ICRA's expectation that the company will sustain the healthy occupancy for its property and maintain strong debt protection metrics.

Key rating drivers and their description

Credit strengths

Healthy occupancy levels and strong debt protection metrics – The committed occupancy remained healthy at 100% as of December 2025 (PY: 100%). The leverage as measured by total external debt/annualised NOI is estimated to remain strong below 4.0 times in the medium term (FY2025: 3.3 times). Consequently, the debt coverage indicators are likely to remain strong with five-year average DSCR of 1.65-1.70 times (FY2026-FY2030).

Attractive location of the property – GGHPL has developed Godrej Two, a commercial real estate property located in Vikhroli, Mumbai. The larger development includes Godrej One, an operational commercial property, as well as residential towers. The upcoming Line 6 of the Mumbai Metro connecting Andheri in the western suburbs to Vikhroli – Eastern Express Highway is expected to further improve the connectivity. The location of the property and the high quality of development are likely to support the demand prospects.

Strong sponsor profile lends exceptional financial flexibility – GGHPL's shareholders are GPL, GBTC I (Master) Pte. Ltd, a real estate investment fund that is managed by Godrej Fund Management Pte Ltd and Godrej Ventures and Investment Advisers Private Limited. GPL is a leading real estate developer with a track record of asset development across segments such as residential and commercial real estate. GBTC I Fund has raised equity from reputed investors with the mandate of investing in commercial real estate assets. The strong sponsor profile lends exceptional financial flexibility to the company.

Credit challenges

Single asset concentration and moderate tenant concentration risks – The company is exposed to geographical and asset concentration risks due to the single asset nature of the development. Further, the top five tenants occupy 40% of the leased area as of September 2025, thereby exposing GGHPL to moderate tenant concentration risks. Nonetheless, these risks are partially offset by the reputed tenant profile and the large investments made by the tenants towards fitouts.

Lack of DSRA; susceptibility of debt coverage ratios to changes in occupancy levels, rental yield and interest rates – There is no DSRA lien marked to the company's lenders in line with the sanctioned terms. Nonetheless, the strong debt coverage metrics, track record of maintaining adequate liquidity and exceptional financial flexibility partly mitigate the risk. The debt coverage ratios remain susceptible to material changes in occupancy levels, rental yield and interest rates.

Liquidity position: Adequate

GGHPL's liquidity position is adequate, with cash and cash equivalents of Rs. 74.8 crore as of September 2025. The debt repayment obligations in FY2026 and FY2027 can be comfortably serviced through its estimated cash flow from operations. The company does not have any expansion plans in the medium term.

Rating sensitivities

Positive factors – The rating can be upgraded if the company is able to sustain high occupancies while maintaining strong debt protection metrics and liquidity position on a sustained basis.

Negative factors – Negative pressure on the rating could emerge if there is any material decline in occupancy or significant increase in indebtedness adversely impacting the debt protection metrics and liquidity position. Specific credit metric that could lead to a rating downgrade includes total external debt/NOI of more than 4.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Lease Rental Discounting (LRD)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in December 2013, GGHPL's current shareholders are Godrej Properties Limited (GPL), GBTC I (Master) Pte. Ltd (managed by Godrej Fund Management Pte Ltd) and Godrej Ventures and Investment Advisers Private Limited. The special purpose vehicle (SPV) owns the commercial real estate project called Godrej Two, having a total leasable area of 1.24 million square feet (msf) located in Vikhroli, Mumbai. The property is a part of an integrated township (The Trees) being developed by the Group. GPL, GBTC I and Godrej Ventures and Investment Advisers hold 45%, 50%, and 5% stake, respectively, in the company.

Key financial indicators (audited)

Standalone	FY2024	FY2025	H1 FY2026*
Operating income	113.1	249.6	155.4
PAT	-113.2	-2.5	55.3
OPBDIT/OI	64.7%	78.5%	82.6%
PAT/OI	-100.1%	-1.0%	35.6%
Total outside liabilities/Tangible net worth (times)	-9.7	-10.0	-15.6
Total debt/OPBDIT (times)	18.6	7.1	5.4
Interest coverage (times)	0.6	1.3	2.3

*Source: Company, ICRA Research; *provisional; 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 rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Jan 29, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based - Term loan	Long Term	950.00	[ICRA]AA- (Stable)	Nov 29, 2024	[ICRA]A+ (Stable)	Mar 01, 2024	[ICRA]A (Positive)	Dec 23, 2022	[ICRA]A (Stable)
				-	-	Mar 28, 2024	[ICRA]A (Positive)	Feb 17, 2023	[ICRA]A (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	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**	Jun-2021	NA	May 2033	300.0	[ICRA]AA- (Stable)
NA	**Term loan - II**	FY2023	NA	Dec 2034	300.0	[ICRA]AA- (Stable)
NA	**Term loan - III**	FY2024	NA	Mar 2036	300.0	[ICRA]AA- (Stable)
NA	**Term loan - IV**	FY2024	NA	Sep 2026	50.0	[ICRA]AA- (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: Not Applicable

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