February 13, 2026

Munjal Hospitality Private Limited: Ratings assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	950.00	[ICRA]A- (Stable); assigned
Long-term – Interchangeable limits – OD	(30.00)	[ICRA]A- (Stable); assigned
Short-term – Interchangeable limits – Bank guarantee	(20.00)	[ICRA]A2+; assigned
Total	**950.00**	

**Instrument details are provided in Annexure I*

Rationale

The ratings assigned to Munjal Hospitality Private Limited (MHPL) factors in the favourable location of the project, Godrej GCR, receipt of full occupancy certificate (OC) for the project in January 2026, along with the expected healthy occupancy levels leading to cash flow visibility and comfortable debt coverage metrics. The company has developed a commercial office project of 1.16 million square feet (msf), which is favourably located in Sector 42, Golf Course Road, Gurgaon, enhancing its marketability. The committed occupancy of the project is 61% as of January 2026, which is expected to ramp up to healthy levels over the next 12-15 months. The rentals from the retail space commenced from Q3 FY2026 and from office space it is expected to commence from Q4 FY2026, in a phased manner. The company has refinanced the construction finance (CF) loan with an lease rental discounting (LRD) loan in November 2025, thereby mitigating the refinancing risk. The leverage is estimated to remain adequate with total external debt/annualised net operating income (NOI) at 6.15-6.25 times as of March 2026 and debt coverage metrics are projected to remain comfortable with five-year average debt service coverage ratio (DSCR) of 1.50 -1.55 times (FY2026–2030). The ratings take note of MHPL's strong sponsor profile, wherein 60% is owned by Godrej Group through GBTC I (Master) Pte Ltd, a real estate investment fund managed by Godrej Fund Management Pte. Ltd., Godrej Projects Development Limited, a subsidiary of Godrej Properties Limited (rated [ICRA]AA+ (Stable)/[ICRA]A1+) and Godrej Ventures and Investment Advisers Private Limited.

The ratings, however, are constrained by MHPL's exposure to the residual market risk with 39% of the area yet to be leased as of January 2026. The ratings are further constrained by the moderate tenant concentration risk with top five tenants occupying 56% of the total leased area as of January 2026. Nevertheless, these risks are partially mitigated by the attractive location of the project, reputed tenant profile and established track record of the Group. The ratings factor in the high geographical and asset concentration risks, which are inherent in single project special purpose vehicles (SPVs). While the rated instrument does not have a debt service reserve account (DSRA), the comfortable debt coverage metrics, expected adequate liquidity and exceptional financial flexibility for the company partly mitigates the risk. The debt coverage metrics remains susceptible to material changes in occupancy, rental rates, increase in indebtedness and interest rates.

The Stable outlook reflects ICRA's opinion that the company would be able to ramp up its leasing, supported by the attractive location of the asset leading to comfortable debt coverage metrics.

Key rating drivers and their description

Credit strengths

Expected healthy ramp up in occupancy of asset; comfortable debt coverage metrics – The company has developed a commercial office project of 1.16 msf, Godrej GCR, in Sector 42, Golf Course Road, Gurgaon. The committed occupancy of the project is 61% as of January 2026, which is likely to ramp up to healthy levels over the next 12-15 months at adequate rental rates. The rentals from retail space commenced from Q3 FY2026 and from the office space it is expected to commence from Q4 FY2026, in a phased manner. The company has refinanced the CF loan with an LRD loan in November 2025, thereby mitigating the refinancing risk. The leverage is estimated to remain adequate with total external debt/annualised NOI at 6.15-6.25 times as of March 2026 and debt coverage metrics are projected to remain comfortable with five-year average DSCR of 1.50 -1.55 times (FY2026–2030).

Favourable location of project – The project, Godrej GCR, is favourably located at Sector 42, Golf Course Road, Gurgaon having good connectivity with other key city areas by virtue of the existing metro station. The attractive location makes the project well suited for the prospective corporate occupiers, which enhances the marketability of the project.

Strong shareholder profile with exceptional financial flexibility – MHPL is 60% owned by Godrej Group through GBTC I (Master) Pte. Ltd (48% stake), a real estate investment fund that is managed by Godrej Fund Management Pte Ltd, Godrej Projects Development Limited (9.5% stake), a subsidiary of Godrej Properties Limited (rated [ICRA]AA+ (Stable)/[ICRA]A1+), and Godrej Ventures and Investment Advisers Private Limited (2.5% stake). GBTC I Fund has raised equity from reputed investors with the mandate of investing in commercial real estate assets.

Credit challenges

Lack of DSRA and vulnerability of debt coverage ratios to change in occupancy levels, rental rates and interest rates – There is no DSRA lien marked to the company's lender in line with the sanctioned terms. Nonetheless, the comfortable coverage metrics, expected adequate liquidity and exceptional financial flexibility partly mitigates the risk. The debt coverage metrics remains susceptible to material changes in occupancy, rental rates, increase in indebtedness and interest rates.

Exposure to residual market risk and tenant concentration risk – MHPL is exposed to residual market risk with 39% of the area yet to be leased as of January 2026. Further, top five tenants occupy 56% of the total leased area as of January 2026, thereby exposing MHPL to moderate tenant concentration risk. Nevertheless, these risks are partially mitigated by the attractive location of the project, reputed tenant profile and established track record of the Group.

High geographical and asset concentration risks – The ratings factor in the high geographical and asset concentration risks, which are inherent in single project SPVs.

Liquidity position: Adequate

MHPL's liquidity profile is adequate, given the expected stable generation of rental income from the leased area. The rentals from the retail space commenced from Q3 FY2026 and from the office space it is expected to commence from Q4 FY2026, in a phased manner. The principal repayments will start from December 2026, and the debt repayment obligations can be comfortably serviced from the cash flow from operations. The company does not have any expansion plans in the medium term.

Rating sensitivities

Positive factors – Healthy ramp up in occupancy to 85 percent and improvement in leverage, while maintaining adequate debt coverage metrics could lead to an improvement in the rating.

Negative factors – Pressure on the rating could emerge in case of inadequate leasing progress or delays in commencement of rentals for the untied area and/or a significant increase in indebtedness, resulting in deterioration of debt protection metrics on a consistent basis. Specific credit metric that could lead to a rating downgrade is 5-year average DSCR of below 1.2 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

Munjal Hospitality Private Limited is incorporated in January 2007 is an SPV, which is held by the Godrej Group (60% holding) and Hero Cycles Limited (Hero Group, 40% holding). The company's shareholding includes Godrej Build to Core I Fund (managed by Godrej Fund Management) holding 48% stake, Godrej Projects Development Limited (wholly-owned subsidiary of Godrej Properties Limited) holding 9.5% stake and Godrej Ventures and Investment Advisers holding 2.5% stake and 40% from Hero Cycles Limited. The SPV has developed a commercial real estate project called Godrej GCR having a leasable area of 1.16 msf located in Sector 42, Gurgaon. The full OC for the project was received in January 2026.

Key financial indicators (audited)

MHPL (Standalone)	FY2024	FY2025	9M FY2026*
Operating income	-	1.0	16.4
PAT	-0.3	-0.8	-17.9
OPBDIT/OI	-	-76.5%	58.6%
PAT/OI	-	-75.3%	-109.5%
Total outside liabilities/Tangible net worth (times)	2.1	2.5	3.0
Total debt/OPBDIT (times)	-2,943.8	-1,271.5	86.7
Interest coverage (times)	-0.3	-0.7	0.4

*Source: Company, ICRA Research; * Provisional numbers; 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)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long-Term	950.00	Feb 13, 2026	[ICRA]A- (Stable)	-	-	-	-	-	-
Interchangeable limits – OD	Long-Term	(30.00)	Feb 13, 2026	[ICRA]A- (Stable)	-	-	-	-	-	-
Interchangeable limits – Bank guarantee	Short-Term	(20.00)	Feb 13, 2026	[ICRA]A2+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long-term – Interchangeable limits – OD	Simple
Short-term – Interchangeable limits – Bank guarantee	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	Long-Term – Fund based – Term loan	FY2026	NA	FY2040	950.00	[ICRA]A- (Stable)
NA	Long-Term – Interchangeable limits – OD	NA	NA	NA	(30.00)	[ICRA]A- (Stable)
NA	Short-Term – Interchangeable limits – Bank Guarantee	NA	NA	NA	(20.00)	[ICRA]A2+

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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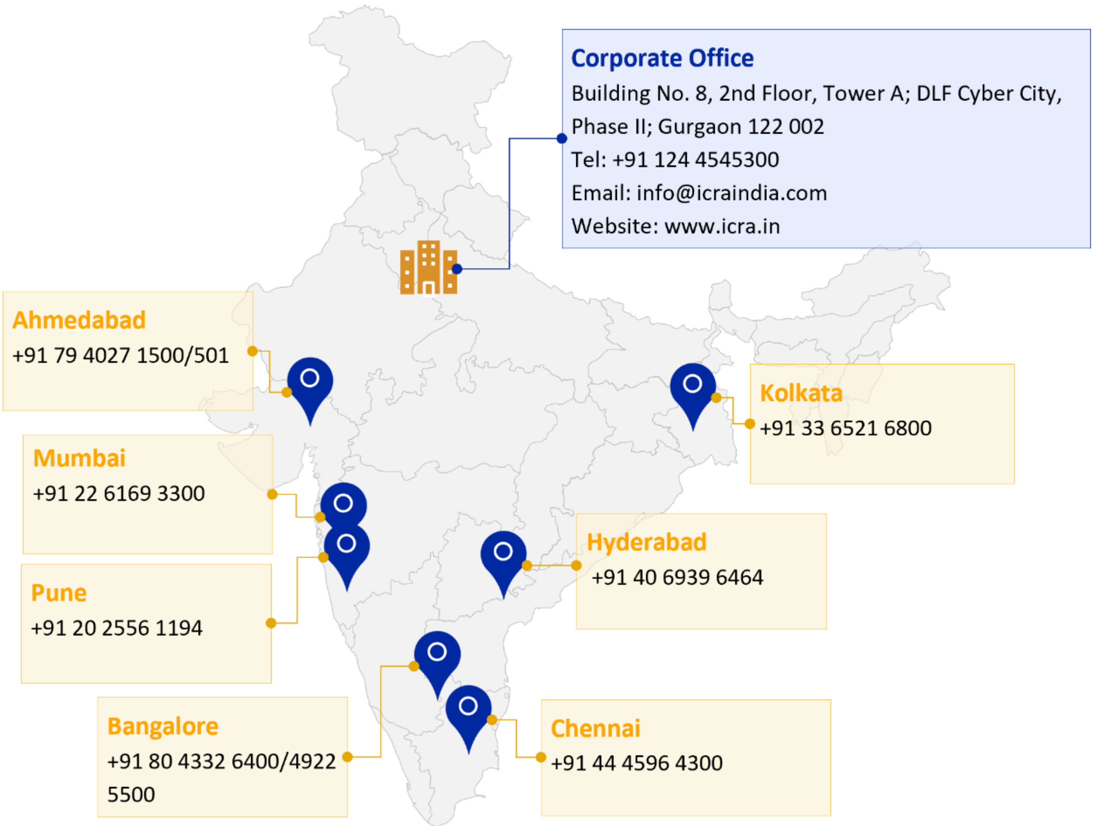

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