

March 31, 2026

Gaursons India (P) Ltd: Rating reaffirmed

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	434.86	[ICRA]A- (Stable); reaffirmed
Long-term — Non-fund based — Others	40.00	40.00	[ICRA]A- (Stable); reaffirmed
Long-term – Unallocated	164.08	2.35	[ICRA]A- (Stable); reaffirmed
Non-convertible debenture	350.00	350.00	[ICRA]A- (Stable); reaffirmed
Non-convertible debenture	100.00	100.00	[ICRA]A- (Stable); reaffirmed
Total	927.21	927.21	

[^]Instrument details are provided in Annexure I

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 estimated improvement in the Group's collections and cash flow from operations (CFO) in FY2026 and FY2027, driven by healthy sales velocity in the ongoing as well as newly launched residential projects, adequate sales from commercial projects, along with steady construction progress for its projects. The Group's collections are projected to improve by 4-7% in FY2026 (Rs. 1,695 crore in FY2025) and further by around 25-30% in FY2027. In addition, the commercial projects, Gaur City Mall and Gaur Central Mall have around 88% occupancy (leasable area of 1.0 msf) as of December 2025, which is estimated to generate annualised rentals of Rs. 140-150 crore. While the Group's total external debt increased to around Rs. 2,977 crore as of December 2025 from Rs. 2,086 crore as of August 2025 to fund the land acquisition and ongoing construction for its projects, the total external debt/CFO is likely to remain adequate around 3.0-3.2 times as of March 2026 and 2.7-2.9 as of March 2027, supported by improvement in CFO. The Group's cash flow adequacy cover¹ remains healthy at around 100% as of December 2025 (against 135% as of June 2025), aided by healthy committed receivables in both residential and commercial projects (for sale). 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, 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, along with ongoing commercial projects for sale and proposed launches over the next two years of 17-19 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. 1,242 crore, wherein the sales velocity has been slow in some of the projects. There is no debt outstanding against these slow-moving completed inventories. Further, 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

¹ Cashflow adequacy ratio = Committed receivables / (Pending cost + Debt outstanding on residential projects)

cyclicality in the real estate industry, which is highly dependent on macro-economic factors, and exposes its sales to any downturn in demand.

As of December 2025, around 32% 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/NOI of the leased portfolio to be ~4.0 to 4.5 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 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 adequate total external debt/CFO.

Key rating drivers and their description

Credit strengths

Expected improvement in collections and CFO in FY2026 and FY2027; adequate total external debt/CFO – The Group's collections are projected to improve by 4-7% in FY2026 (Rs. 1695 crore in FY2025) and further by around 25-30% in FY2027. In addition, the commercial projects, Gaur City Mall and Gaur Central Mall have around 88% occupancy (leasable area of 1.0 msf) as of December 2025, which is estimated to generate annualised rentals of Rs. 140-150 crore. While the Group's total external debt increased to around Rs. 2,977 crore as of December 2025 from Rs. 2,086 crore as of August 2025 to fund the land acquisition and ongoing construction for its projects, the total external debt/CFO is likely to remain adequate around 3.0-3.2 times as of March 2026 and 2.7-2.9 times as of March 2027, supported by improvement in CFO.

Healthy cash flow adequacy ratio – The Group's cash flow adequacy cover remains healthy at around 100% as of December 2025 (against 135% as of June 2025), aided by healthy committed receivables in both residential and commercial projects (for sale) of Rs. 5,414 crore against the pending cost and debt outstanding.

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, 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 leveraged 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 improvement in the same would be vital from the credit perspective. The gross debt remained at ~Rs. 2,977 crore as of December 2025, of which around 32% 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/NOI of the leased portfolio to be ~4.0 to 4.5 times in the medium term. The Group's cash flows, however, remains exposed to volatility in occupancy levels or rent rates.

Cyclicality 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 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 the newly launched residential projects (Gaur Chrysalis, Gaur NYC Residencies and Legacy by Gaur), along with the ongoing commercial projects for sale and proposed launches over the next two years of 17-19 msf. Further, the Group's unsold finished inventory in the residential and commercial projects stood at ~Rs. 1,242 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. 404.2 crore as of December 2025. The Group has principal debt repayment obligation of around Rs. 30 crore in Q4 FY2026 and Rs. 354 crore in FY2027, which is expected to be adequately serviced by the CFO. Also, the Group has undrawn bank facilities of around Rs. 224 crore, along with committed receivables of Rs. 5,414 crore as of December 2025 for funding the 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 the consolidated financials of Gaursons India Private Limited, which includes the entities mentioned in Annexure II, given the close business, financial and managerial linkages among the Group entities, along with a common 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 ~55 msf of real estate projects in Delhi/NCR, particularly in Ghaziabad and Noida. The company and its subsidiaries are 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	12.8
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

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Mar 31, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long Term	434.86	[ICRA]A-(Stable)	Dec 15, 2025	[ICRA]A-(Stable)	Mar 31, 2025	[ICRA]A-(Stable)	Feb 20, 2024	[ICRA]BBB+(Stable)	Dec 30, 2022	[ICRA]BBB+(Stable)
				Oct 17, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-
				Apr 09, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-
Cash credit	Long Term	-	-	-	-	Mar 31, 2025	[ICRA]A-(Stable)	Feb 20, 2024	[ICRA]BBB+(Stable)	Dec 30, 2022	[ICRA]BBB+(Stable)
Non-fund based	Long Term	40.00	[ICRA]A-(Stable)	Dec 15, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-
				Oct 17, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-
				Apr 09, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-
Unallocated	Long Term	2.35	[ICRA]A-(Stable)	Dec 15, 2025	[ICRA]A-(Stable)	Mar 31, 2025	[ICRA]A-(Stable)	Feb 20, 2024	[ICRA]BBB+(Stable)	-	-
				Oct 17, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-
				Apr 09, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-
NCDs	Long Term	350.00	[ICRA]A-(Stable)	Dec 15, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-
				Oct 17, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-
NCDs	Long Term	100.00	[ICRA]A-(Stable)	Dec 15, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term — Fund-based — Term loan	Simple
Long-term — Non-fund based — Others	Simple
Long-term – Unallocated	Not Applicable
Non-convertible debenture	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	95.98	[ICRA]A- (Stable)
NA	Term loan II	March, 2022	-	FY2028	45.22	[ICRA]A- (Stable)
NA	Term loan III	March 2026	-	FY2030	65.00	[ICRA]A- (Stable)
NA	Term loan IV	August 2023	-	FY2036	87.77	[ICRA]A- (Stable)
NA	Term loan V	August 2023	-	FY2036	140.89	[ICRA]A- (Stable)
NA	Non-fund based	-	-	-	40.00	[ICRA]A- (Stable)
NA	Unallocated	-	-	-	2.35	[ICRA]A- (Stable)
INE1BEC08019	Non-convertible debentures	Dec 26, 2025	10.96%	Dec 26, 2028	440.00	[ICRA]A- (Stable)
Yet to be placed	Non-convertible debentures	-	-	-	10.00	[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

Company name	GIPL ownership	Consolidation approach
Gaursons India Private Ltd	-	-
Gaursons Hi-Tech Infrastructure Private Limited	100%	Full Consolidation
Gaursons Realtech Private Limited	100%	Full Consolidation
Gaursons Promoters Private Limited	100%	Full Consolidation
Gaursons Realty Private Limited	100%	Full Consolidation
U.P. Township Infrastructure Private 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
Fastidious Buildmart Pvt Ltd	100%	Full Consolidation
Galaxy Infraheights Pvt Ltd	100%	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
Surdeep Builders Private Limited	100%	Full Consolidation
Golf Lake LLP	85%	Equity Method
Golf Relators LLP	85%	Equity Method
Golf Horizon LLP	85%	Equity Method
Gaursons Housing Private Limited	100%	Full Consolidation
Gaursons Sports Venture Private Limited	100%	Full Consolidation
Clarkston Hotels Private Limited	41.47%	Equity Method
Gaursons Sportwood	41.92%	Equity Method

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

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