

May 19, 2026

GAGAN HABITATS LLP: [ICRA]BBB+ (Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term – fund based – Term loan	150.00	[ICRA]BBB+ (Stable); assigned
Long term – Interchangeable Limits – Overdraft Facility	(35.00)	[ICRA]BBB+ (Stable); assigned
Total	150.00	

*Instrument details are provided in Annexure II

Rationale

The rating assigned to Gagan Habitats LLP (GHL) factors in the favourable location for its commercial project, Westview, in Mundhwa, Pune and adequate sales velocity with 67% of carpet area sold as of March 2026. GHL is 51% held by Panchshil Group, which is acting as a development manager with remaining held by Gagan Group. The rating draws comfort from the long and established track record of Panchshil group of more than two decades in real estate market underpinned by over 39.0 million square feet (msf) of real estate project deliveries till March 31, 2026 and another 41.5 msf is under development across multiple asset classes (residential, office, retail, hotels and convention centres) as of March 2026. The external debt is estimated to remain low resulting in comfortable leverage with Total External Debt/CFO around 1.7-2.0 times as of March 2027.

The rating is, however, constrained by company's modest scale of operations, along with its exposure to execution and market risk associated with its ongoing project with 65% of the construction cost yet to be incurred, along with 33% inventory yet to be sold in its ongoing project. The cash flow adequacy¹ remains adequate at 55% as of December 2025. Further, it is exposed to asset concentration risk and geographical concentration risk as the ongoing project due to dependence on a single commercial project in Pune market. 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.

The Stable outlook on the rating reflects ICRA's opinion that the company will be able to sustain adequate sales velocity supported by favourable location and maintain comfortable leverage.

Key rating drivers and their description

Credit strengths

Strong promoter with established track record in Pune region – GHL is 51% held by Panchshil Group, which is acting as a development manager with remaining held by Gagan Group. The Panchshil group has a strong execution track record of more than 2 decades in real estate market which includes development in residential, commercial, retail and hospitality segments. The group has delivered over 39 msf of real estate projects and another 41.5 msf is under development across multiple asset classes (residential, office, retail, hotels and convention centres) as of March 31, 2026. Gagan group has delivered over 6.02 msf of real estate projects till December 2025.

¹ Cashflow adequacy ratio = (Receivables from sold area)/(Pending cost + Debt outstanding against the project)

Favourable location of project – The project is located in Mundhwa, Pune region which has emerged as a mixed-use residential and commercial corridor in eastern Pune. Pune Railway Station is approximately 8–9 km from the project site, providing intercity rail connectivity, while Pune International Airport is located at a distance of around 6–7 km. The project enjoys road connectivity via Mundhwa Road and North Main Road, with linkage to Nagar Road and the Pune–Ahmednagar Highway, facilitating access to key employment hubs such as Kharadi, Magarpatta City and Koregaon Park. Strategic location, along with established brand presence, has supported the saleability of the project.

Adequate sales velocity; comfortable leverage – Project Westview received strong response from its customers since its launch in June 2025 and the total area is 67% sold as of March 2026. Further, with the external debt estimated to remain at low levels in the range of Rs. 70.0 - 73.0 crore in FY 2027, the debt protection metrics are likely to remain comfortable in FY 2027. The leverage as measured by external debt/CFO is estimated to remain comfortable in the range of 1.7-2.0 times in FY 2027.

Credit challenges

Moderate scale of operations – The company’s scale of operations remain moderate given that the total carpet area of the project is 0.36 msf.

Exposure to market and execution risks - The company is exposed to execution and market risk associated with its ongoing project with 65% of the construction cost yet to be incurred, along with 33% inventory yet to be sold in its ongoing project. The cash flow adequacy remains adequate, wherein the committed receivables of Rs. 142.4 crore covers around 55% of the outstanding debt of Rs. 53.4 crore and pending project cost of Rs. 204.1 crore as of December 2025.

Geographical and asset concentration risks and susceptibility to cyclicity in real estate sector – The asset is exposed to single asset concentration risk and geographical concentration risk as the ongoing project is limited to the Pune market. The rating factors in the vulnerability of its sales to any downturn in real estate demand and stiff competition within the region from various established real estate developers.

Liquidity position: Adequate

ICRA expects the company’s liquidity position to be adequate, with free cash and liquid balances of Rs. 5.2 crore and undrawn bank limits of Rs. 94.5 crore. Further, the company’s debt repayment obligations (linked to escrow sweep on collections) are likely to be adequately met from the estimated cash flow from operations.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if there is a significant and sustained increase in the sales and collections, along with improvement in the cash flow from operations and debt protection metrics.

Negative factors – Negative pressure on the rating could arise in case of significant delays in project execution or subdued commercial sales and collections, or if there are material debt-funded land investments leading to deterioration in debt protection metrics and liquidity position.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Gagan Habitats LLP is a Pune based partnership firm registered under Limited Liability Partnership Act, 2008, engaged in real estate development with 51% stake held by Panchshil Realty and Developers Limited (representing Panchshil group) and balance 49% held by Mr. Rahul Garg and Mr. Rohit Garg (representing Gagan Group). The LLP is formed to carry out a commercial project namely 'The Westview by Panchshil' being a commercial office project located at Mundhwa, Pune on sale model with a carpet area of approximately 0.36 msf. Panchshil group have collaborated with Gagan group for this commercial project where landowner is Gagan group and Panchshil group has entered into a Development manager (DM) arrangement with the company.

Key financial indicators (audited)

Gagan Habitats LLP – Standalone	FY2024	FY2025
Operating income	2.0	0.0
PAT	0.1	0.0
OPBDITA/OI (%)	628.9%	-
PAT/OI (%)	3.6%	-
Total outside liabilities/Tangible net worth (times)	-341.4	8.3
Total debt/OPBDITA (times)	9.6	6.2
Interest coverage (times)	1.0	1.0

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDITA: 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

Instruments	Type	Current (FY2027)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	May 19, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based – Term loan	Long term	150.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-
Interchangeable Limits – Overdraft Facility	Long term	(35.00)	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI

7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – fund based – Term loan	Simple
Long term – Interchangeable Limits – Overdraft Facility	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 II: 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	Jan 6, 2025	9.75%	FY 2029	150.00	[ICRA]BBB+ (Stable)
NA	Long term – Interchangeable Limits – Overdraft Facility	Jan 6, 2025	9.75%	FY 2029	(35.00)	[ICRA]BBB+ (Stable)

Source: Company

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

Annexure III: List of entities considered for consolidated analysis – Not applicable

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