

July 03, 2026

Godrej Housing Finance Limited: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper	2,000.00	3,000.00	[ICRA]A1+; reaffirmed and assigned for enhanced amount
Total	2,000.00	3,000.00	

*Instrument details are provided in Annexure II

Rationale

While arriving at the rating, ICRA has considered the consolidated business and financial risk profiles of Godrej Capital Limited (GCL) and its wholly-owned subsidiaries – Godrej Housing Finance Limited (GHFL) and Godrej Finance Limited (GFL; collectively referred to as the Godrej Capital Group) – as these entities have significant operational and management linkages and operate under the common Godrej brand. The rating factors in the Group’s parentage and the continued support expected from the ultimate holding company, Godrej Industries Limited (GIL; rated [ICRA]AA+ (Stable)/[ICRA]A1+). In addition to the shared brand name, the company benefits from managerial support and operational synergies with the Godrej Group along with the associated financial flexibility, which enables it to secure credit lines at competitive rates.

ICRA also notes the transfer of GIL’s entire shareholding in GCL to a newly incorporated, wholly-owned subsidiary, Godrej Investment Limited (91.1% stake in GCL as on March 31, 2026), and the establishment of Godrej Wealth and Investment Limited as a core investment company (CIC) under which the separate wealth and asset management entities are housed. The change in the group structure is unlikely to affect GCL’s business profile.

GHFL is a housing finance company (HFC), which focusses on housing loans, while GFL is a non-banking financial company (NBFC) with a focus on non-housing loans, including loan against property (LAP), business loans, construction finance (CF) and small and medium enterprise (SME) loans. The rating considers the adequate capitalisation profile for the current scale of operations and the committed capital support from GIL to help achieve growth over the medium term. ICRA takes note of the Godrej Capital Group’s subdued, but improving, profitability profile. While the Group has reported comfortable asset quality since inception, the same is yet to be tested through economic cycles, given the limited portfolio seasoning.

Key rating drivers and their description

Credit strengths

Strong parentage and strategic importance to the group; supports financial flexibility - GHFL and GFL are wholly-owned subsidiaries of GCL under the ultimate parentage of GIL, which held a 91.1% stake in GCL through Godrej Investment Limited as on March 31, 2026. GIL is the flagship company of the Godrej Group (74.6% equity stake in GIL as on March 31, 2026). Mr. Pirojsha Godrej, Chairperson Designate of the Godrej Industries Group, serves as the Chairperson of both GCL and GFL. The rating draws comfort from the shared brand name. As it is a part of the Godrej Group, the Godrej Capital Group is expected to continue raising funds at competitive rates from a diverse set of lenders.

Adequate capitalization supported by regular capital raise – The Godrej Capital Group is adequately capitalised for the current scale of operations with GCL’s consolidated managed gearing at 5.8 times as on March 31, 2026 and GFL and GHFL’s capital-to-risk weighted assets ratios (CRAR) at 17.2% and 18.5%, respectively. Given the growth plans, the group will require

additional capital to expand as per its business growth plans while maintaining the managed gearing below 7 times over the medium term. Since inception, the Group has raised equity capital worth ~Rs. 3,739 crore from GIL and ICRA expects support from GIL to be forthcoming as and when required.

Credit challenges

Early stage of operations; evolving profitability - Given the early stage of operations, the operating expense ratio is high due to upfront costs for manpower expansion and business infrastructure. This has kept the profitability indicators under pressure with a return on managed assets (RoMA) of 0.9% in FY2026 compared to 1.0% in FY2025 (0.5% in FY2024). Over the long term, the ability to grow the portfolio while maintaining control over the asset quality and improving the operating efficiency would be key for enhancing the profitability on a sustained basis.

Limited portfolio seasoning - GHFL and GFL, which commenced lending operations in November 2020 and March 2022, respectively. Although, the Group has reported comfortable asset quality (GFL and GHFL had gross stage 3 assets of 0.4% and 0.1%, respectively, as on March 31, 2026), the same is yet to be tested through economic cycles given the limited seasoning in relation to the loan tenure. The assets under management (AUM) for the Group stood at Rs. 27,832 crore as on March 31, 2026, growing at a 3-year CAGR of 76%. GHFL focuses on housing loans while GFL primarily provides non-housing loans, including loan against property (LAP), business loans, construction finance and small and medium enterprise (SME) loans.

Liquidity position: Strong

As per the combined (GHFL+GFL) Asset Liability Management (ALM) profile as on March 31, 2026, total debt obligations are ~Rs. 8,230 crore as against total expected inflows from advances of ~Rs. 4,838 crore over the next one year. Additionally, the group had cash and bank balances of ~Rs. 1,061 crore and liquid investments of ~Rs. 385 crore along with undrawn bank lines of Rs. 8,684 crore as on March 31, 2026, to support the liquidity profile. Further, the Godrej capital group has good financial flexibility to raise funding at competitive rates.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Godrej Capital Group’s ratings are underpinned by its importance to GIL as the primary financial services business. Any significant change expectation of support from GIL or a deterioration in the credit profile of GIL could warrant a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA’s Credit Rating Methodology for Non-banking Finance Companies (NBFCs)
Parent/Group Support	ICRA expects GIL to extend financial support to Godrej Capital Group for the growth of the business. Godrej Capital group and GIL also share a common name, which in ICRA’s opinion would persuade GIL to provide financial support to the group to protect its reputation from the consequences of a Group entity’s distress.
Consolidation/Standalone	Consolidation. Refer to annexure III

About the company

Godrej Housing Finance Limited (GHFL) was incorporated in October 2018 as a housing finance company (HFC) and is registered with National Housing Bank (NHB). It is owned by the Godrej family through GCL. The company is headquartered in Mumbai and has a presence in Maharashtra, Karnataka, Gujarat, Haryana and Delhi NCR.

The company reported a net profit of Rs. 72 crore in FY2026 on total income of Rs. 826 crore as on March 31, 2026 compared with a net profit of Rs. 51 crore in FY2025 on total income of Rs. 629 crore as on March 31, 2025. The net worth stood at Rs. 1,076 crore as on March 31, 2026, while the AUM was Rs. 9,308 crore. The loan portfolio stood at Rs. 8,259 crore comprising home loans (76%), LAP (9%), and inorganic loans (15%).

Godrej Industries Limited

GIL is the holding company of the GILAC Group Companies, which has interests in real estate, chemicals, agriculture and consumer goods (through its subsidiaries, associate companies and joint venture (JV) companies). On a standalone basis, apart from being the holding company of the Group, GIL is engaged in the manufacturing of oleochemicals, wherein it is the domestic market leader with a presence in various sub-segments (like fatty acids, fatty alcohols, glycerine and surfactants). The chemicals business caters to several end-user industries including FMCG, oil & gas, chemical intermediates, pharmaceuticals, tyres, etc.

As on March 31, 2026, GIL's unencumbered listed investment portfolio (book value) stood at Rs. 5,165 crore (market value of unencumbered listed investments was ~Rs. 50,436 crore), with key investments in Godrej Consumer Products Limited (23.7% stake), Godrej Agrovet Limited (65.1% stake) and Godrej Properties Limited (44.8% stake). The company's manufacturing facilities are in Ambarnath (Thane, Maharashtra), Dombivli (Thane, Maharashtra), and Valia (Gujarat). GIL also generates rental income from its Vikhroli premises in Mumbai. The promoters have an equity stake of 74.6% in the company (as on March 31, 2026) while the rest is held by the public.

Key financial indicators

Godrej Housing Finance Limited (standalone)	FY2025	FY2026
	Audited	Audited
Total income	629	826
Profit after tax	51	72
Total managed assets	8,390	9,890
Return on managed assets	0.7%	0.8%
Managed gearing (times)	7.2	8.0
CRAR	20.7%	18.5%
Gross stage 3	0.1%	0.1%

Source: Company data, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; Managed gearing = Borrowings + Off-balance sheet advances/Net worth; Total managed assets = Total assets + Impairment loss allowance on gross loans + off-balance sheet advances

Godrej Capital Limited (consolidated)	FY2025	FY2026
	Audited	Audited
Total Income	1,549	2,478
Profit after Tax	152	232
Total Managed assets	19,010	30,083
Return on managed assets	1.0%	0.9%
Managed gearing	4.5	5.8
Gross stage 3	0.3%	0.3%

Source: Company data, ICRA Research; All ratios as per ICRA calculations; Amount in Rs. crore; Managed gearing = Borrowings + Off-balance sheet advances/Net worth; Total managed assets = Total assets + Impairment loss allowance on gross loans + off-balance sheet advances

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	FY2026		FY2025		FY2024		
			July-03-2026	Date	Date	Rating	Date	Rating	
Commercial paper	Short term	3,000.00	[ICRA]A1+	Jul 22,2025	[ICRA]A1+	Jul 17,2024	[ICRA]A1+	Sep 29,2023	[ICRA]A1+

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 instrument

Instrument	Complexity Indicator
Commercial paper	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, is available on ICRA's website: [Click Here](#)

Annexure II: Instrument details as on June 25, 2026

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE02JD14757	Commercial paper programme	Feb-18-2026	7.25	Feb-18-2027	250	[ICRA]A1+
INE02JD14765	Commercial paper programme	Feb-24-2026	7.25	Feb-24-2027	100	[ICRA]A1+
INE02JD14773	Commercial paper programme	Feb-25-2026	7.25	Feb-25-2027	200	[ICRA]A1+
INE02JD14807	Commercial paper programme	Mar-20-2026	7.42	Mar-19-2027	25	[ICRA]A1+
INE02JD14815	Commercial paper programme	Mar-23-2026	7.42	Mar-23-2027	150	[ICRA]A1+
INE02JD14831	Commercial paper programme	May-19-2026	7.50	Aug-18-2026	150	[ICRA]A1+
INE02JD14849	Commercial paper programme	May-21-2026	7.50	Aug-19-2026	100	[ICRA]A1+
INE02JD14856	Commercial paper programme	May-25-2026	7.50	Aug-24-2026	100	[ICRA]A1+
INE02JD14864	Commercial paper programme	Jun-12-2026	7.00	Sep-11-2026	100	[ICRA]A1+
INE02JD14864	Commercial paper programme	Jun-15-2026	7.00	Sep-11-2026	100	[ICRA]A1+
INE02JD14872	Commercial paper programme	Jun-19-2026	6.80	Sep-18-2026	200	[ICRA]A1+
INE02JD14880	Commercial paper programme	Jun-24-2026	6.80	Sep-23-2026	50	[ICRA]A1+
NA	Commercial paper programme*	NA	NA	7-365 days	1,475	[ICRA]A1+

Source: Company; *Proposed

Annexure III: List of entities considered for consolidated analysis

Company name	Ownership*	Consolidation approach
Godrej Capital Limited	Parent	Full consolidation
Godrej Finance Limited	100%	Full consolidation
Godrej Housing Finance Limited	100%	Full consolidation

Source: Company data; *By GCL

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