

May 10, 2024

Godrej Properties Limited: Update on Material Event

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term – Fund-based – Cash credit	4375.00	4375.00	[ICRA] AA+ (Stable); rating outstanding
Long-term – Non-fund based limits	350.00	350.00	[ICRA] AA+ (Stable); rating outstanding
Long-term/ Short-term – Unallocated limits	6275.00	6275.00	[ICRA]AA+ (Stable)/[ICRA]A1+; rating outstanding
Commercial paper	2000.00	2000.00	[ICRA]A1+; rating outstanding
Non-convertible debentures	4000.00	4000.00	[ICRA]AA+ (Stable); rating outstanding
Total	17000.00	17000.00	

*Instrument details are provided in Annexure-I

Rationale

Material Event

Godrej Properties Limited (GPL or the company), vide a BSE release dated April 30, 2024, informed about the family settlement agreement (FSA) and a brand and non-compete agreement entered into among some of the members of the Godrej family. As a part of this arrangement, Mr. Adi Burjorji Godrej (ABG) and Mr. Nadir Burjorji Godrej (NBG) family and their immediate relatives will continue to be promoters with controlling/management interest of companies including – Godrej Industries Ltd (GIL, rated [ICRA]AA (Stable)/ [ICRA]A1+), Godrej Consumer Products Limited (GCPL, rated [ICRA]AAA (Stable)/ [ICRA]A1+), Godrej Properties Limited (GPL, rated [ICRA]AA+ (Stable)/ [ICRA]A1+), Godrej Agrovet Limited (GAVL, rated [ICRA]AA (Stable)/ [ICRA]A1+), Godrej Seeds and Genetics Limited (rated [ICRA]AA (Stable)/ [ICRA]A1+), Innovia Multiventures Private Limited and Astec Lifesciences Limited (Astec, rated [ICRA]AA- (Stable)/ [ICRA]A1+) (collectively the GILAC Group Companies) and all of their respective subsidiaries and joint ventures, and Anamudi Real Estates LLP. Mr. Jamshyd Naoroji Godrej (JNG) and Ms. Smita Godrej Crishna (SVC) and their immediate relatives will be managing Godrej & Boyce Manufacturing Company Limited (rated [ICRA]A1+), Godrej Holdings Private Limited and Godrej Infotech Limited (collectively the G&B Group Companies) and all of their respective subsidiaries and joint ventures, and RKNE Enterprises.

The Godrej name and brand will be equally owned and shared by both the family groups. The family groups have also entered into a non-compete agreement for a period of six years, post which a family group can enter into the exclusive business of the other family group without the use of the 'Godrej' brand (including in their corporate/ entity names).

The FSA and the Brand and Non-Compete Agreement will become effective post the receipt of requisite approvals (including from the Competition Commission of India).

Impact of Material Event

The announced FSA is expected to be credit neutral for ICRA-rated entities in the Godrej Group from strategic, business and operations standpoint. Further, ICRA does not anticipate any increase in leverage in any of the ICRA-rated companies in the Group specifically owing to the announced FSA. However, timely completion of the FSA subject to regulatory approvals and potential change in shareholding of rated entities within the group, if any, will remain a monitorable.

Overall, ICRA does not expect any material impact of the arrangement on the credit profile of GPL and, therefore, the ratings remain unchanged at [ICRA]AA+ (Stable)/[ICRA]A1+.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	Consolidation: ICRA has considered the consolidated financials of GPL along with its operational subsidiaries, JVs and associate entities (mentioned in Annexure II) on account of the strong business and financial linkages between these entities.

About the company

Godrej Properties Limited (GPL) is the real estate venture of the Godrej Group, which is involved in diverse business segments spanning home appliances, FMCG, consumer products, industrial products (process plant and equipment), chemicals, animal feed, real estate development and oil palm plantation through various Group companies. It was incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 by Mr. Mohan Khubchand Thakur and Mrs. Desiree Mohan Thakur. In 1987, it became a part of the Godrej Group and in 1989, it became a subsidiary of Godrej Industries Limited (erstwhile Godrej Soaps Limited), which holds 47.3% of the company's equity share capital as on March 31, 2024. At present, GPL is present in 11 cities in India and focuses mostly on residential real estate development. It has delivered ~41 msf of real estate projects since FY2018 and has around 215 msf of total developable area as on February 06, 2024.

Key financial indicators (audited)

GPL Consolidated	FY2023	FY2024
Operating income	2744.5	3545.1
PAT	661.3	719.3
OPBDIT/OI	27.0%	10.7%
PAT/OI	24.1%	20.3%
Total outside liabilities/Tangible net worth (times)	1.5	2.4
Total debt/OPBDIT (times)	8.6	28.1
Interest coverage (times)	4.2	2.5

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	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years												
		Amount rated (Rs. crore)	Amount outstanding as on Sep 30, 2023 (Rs. crore)	Date & rating in FY2025 May 10, 2024	Date & rating in FY2024					Date & rating in FY2023					Date & rating in FY2022 Apr 6, 2021	
					Feb 16, 2024	Jan 10, 2024	Oct 06, 2023	Aug 21, 2023	Jun 22, 2023	Jan 03, 2023	Sep 14, 2022	Sep 01, 2022	Jul 29, 2022	Apr 5, 2022		
1 Long-term – Fund-based/CC	Long term	4,375.0	2,527.5	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)
2 Long-term – Non-fund based limits	Long term	350.0	233.1	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)
3 Long-term/ Short-term – Unallocated limits	Long term/Short term	6,275.0	0.0	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA (Positive)/ [ICRA]A1+	[ICRA]AA (Positive)/ [ICRA]A1+
4 Commercial paper (CP) programme	Short term	2,000.0	1,925.0*	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5 Non-convertible debenture (NCD) programme	Long term	-	-	-	[ICRA]AA+ (Stable); Reaffirmed & Withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)
6 Non-convertible debenture (NCD) programme	Long term	2,000.0	1,500.0	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	-	-	-	-	-	-	-
7 Non-convertible debenture (NCD) programme	Long term	2,000.0	1,160.0	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	-	-	-	-	-	-	-	-

* denotes maturity value of commercial paper

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based/CC	Simple
Long-term – Non-fund based limits	Very Simple
Long-term/ Short-term – Unallocated limits	Not applicable
Commercial paper (CP) programme	Very Simple
Non-convertible debenture (NCD) programme	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 analyzing 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-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE484J08030	NCD	03-July, 2023	8.25%	03-Jul-2028	750	[ICRA]AA+ (Stable)
INE484J08048	NCD	03-July, 2023	8.15%	03-Jul-2026	750	[ICRA]AA+ (Stable)
INE484J08055	NCD	20-September-2023	8.30%	19-Mar-2027	1,000	[ICRA]AA+ (Stable)
INE484J08063	NCD	20-September-2023	8.50%	20-Sep-2028	160	[ICRA]AA+ (Stable)
NA	NCD (Yet to be placed)	-	-	-	1,340	[ICRA]AA+ (Stable)
-	Long-term – Fund-based – Cash credit	-	-	-	4,375	[ICRA]AA+ (Stable)
-	Long-term – Non-fund based – Bank guarantee	-	-	-	350	[ICRA]AA+ (Stable)
-	Long-term/Short-term – Unallocated	-	-	-	6,275	[ICRA]AA+ (Stable)/ [ICRA]A1+
INE484J14RE8	Commercial paper	26-May-2023	NA	24-Nov-2023	90	[ICRA]A1+
INE484J14RG3	Commercial paper	30-May-2023	NA	23-Nov-2023	25	[ICRA]A1+
INE484J14RH1	Commercial paper	30-May-2023	NA	10-Nov-2023	15	[ICRA]A1+
INE484J14RF5	Commercial paper	31-May-2023	NA	28-Nov-2023	100	[ICRA]A1+
INE484J14RI9	Commercial paper	02-Jun-2023	NA	30-Nov-2023	100	[ICRA]A1+
INE484J14RH1	Commercial paper	05-Jun-2023	NA	10-Nov-2023	75	[ICRA]A1+
INE484J14RS8	Commercial paper	26-Jun-2023	NA	22-Dec-2023	50	[ICRA]A1+
INE484J14RV2	Commercial paper	28-Jun-2023	NA	28-Dec-2023	50	[ICRA]A1+
INE484J14RT6	Commercial paper	26-Jun-2023	NA	15-Dec-2023	50	[ICRA]A1+
INE484J14RQ2	Commercial paper	27-Jun-2023	NA	26-Dec-2023	100	[ICRA]A1+
INE484J14RW0	Commercial paper	30-Jun-2023	NA	27-Dec-2023	25	[ICRA]A1+
INE484J14RY6	Commercial paper	04-Jul-2023	NA	03-Oct-2023	75	[ICRA]A1+
INE484J14RZ3	Commercial paper	13-Jul-2023	NA	12-Oct-2023	75	[ICRA]A1+
INE484J14SA4	Commercial paper	19-Jul-2023	NA	05-Jan-2024	75	[ICRA]A1+
INE484J14SB2	Commercial paper	25-Jul-2023	NA	16-Jan-2024	25	[ICRA]A1+
INE484J14SC0	Commercial paper	14-Aug-2023	NA	12-Feb-2024	75	[ICRA]A1+
INE484J14SD8	Commercial paper	18-Aug-2023	NA	16-Feb-2024	75	[ICRA]A1+
INE484J14SF3	Commercial paper	24-Aug-2023	NA	22-Feb-2024	75	[ICRA]A1+
INE484J14SE6	Commercial paper	22-Aug-2023	NA	20-Feb-2024	75	[ICRA]A1+
INE484J14SG1	Commercial paper	05-Sep-2023	NA	05-Mar-2024	40	[ICRA]A1+
INE484J14RE8	Commercial paper	05-Sep-2023	NA	24-Nov-2023	10	[ICRA]A1+
INE484J14SH9	Commercial paper	07-Sep-2023	NA	07-Mar-2024	100	[ICRA]A1+
INE484J14SI7	Commercial paper	11-Sep-2023	NA	11-Mar-2024	100	[ICRA]A1+
INE484J14SJ5	Commercial paper	13-Sep-2023	NA	13-Mar-2024	70	[ICRA]A1+
INE484J14SK3	Commercial paper	15-Sep-2023	NA	15-Mar-2024	75	[ICRA]A1+
INE484J14SL1	Commercial paper	22-Sep-2023	NA	22-Mar-2024	75	[ICRA]A1+
INE484J14SM9	Commercial paper	25-Sep-2023	NA	20-Dec-2023	75	[ICRA]A1+
INE484J14RS8	Commercial paper	27-Sep-2023	NA	22-Dec-2023	75	[ICRA]A1+
INE484J14SN7	Commercial paper	29-Sep-2023	NA	28-Mar-2024	75	[ICRA]A1+
Unplaced	Commercial paper#	-	-	-	75	[ICRA]A1+

Source: Company; as on September 30, 2023; # proposed Commercial Paper which is not placed as on date

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

Annexure-II: List of entities considered for consolidated analysis

Entity Name	Ownership ¹	Consolidation Approach
Subsidiaries		
Godrej Projects Development Limited	100%	Full Consolidation
Godrej Garden City Properties Private Limited	100%	Full Consolidation
Godrej Hillside Properties Private Limited	100%	Full Consolidation
Godrej Home Developers Private Limited	100%	Full Consolidation
Godrej Prakriti Facilities Private Limited	100%	Full Consolidation
Prakriti plaza Facilities Management Pvt. Ltd	100%	Full Consolidation
Godrej Highrises Properties Pvt. Ltd	100%	Full Consolidation
Godrej Genesis Facilities Management Private Limited	100%	Full Consolidation
Citystar InfraProjects Ltd	100%	Full Consolidation
Godrej Residency Pvt. Ltd	50.01%	Full Consolidation
Godrej Properties Worldwide Inc., USA	100%	Full Consolidation
Godrej Precast Construction Private Limited	100%	Full Consolidation
Godrej Green Woods Private Limited	100%	Full Consolidation
Godrej Realty Private Limited	100%	Full Consolidation
Godrej Living Private Limited	100%	Full Consolidation
Ashank Land & building Private Limited	100%	Full Consolidation
Godrej Home Constructions Limited (previously Godrej Home Constructions Private Limited) (wef June 2 , 2023)	100%	Full Consolidation
Wonder City Buildcon Limited (previously Wonder City Buildcon Private Limited) (wef May 26, 2023)	100%	Full Consolidation
Godrej Highrises Realty LLP	100%	Full Consolidation
Godrej Project Developers & Properties LLP	100%	Full Consolidation
Godrej Skyview LLP	100%	Full Consolidation
Godrej Green Properties LLP	100%	Full Consolidation
Godrej Projects (Soma) LLP	100%	Full Consolidation
Oasis Landmarks LLP	51%	Full Consolidation
Godrej Athenmark LLP	100%	Full Consolidation
Godrej City Facilities Management LLP	100%	Full Consolidation
Godrej Florentine LLP	100%	Full Consolidation
Godrej Olympia LLP	100%	Full Consolidation
Ashank Realty Management LLP	100%	Full Consolidation
Ashank Facility Management LLP	100%	Full Consolidation
Godrej Construction Projects LLP	100%	Full Consolidation
Maan-Hinge Township Developers LLP	99%	Full Consolidation
Godrej Reserve LLP	99.8%	Full Consolidation
Godrej Vestamark LLP (wef June 23, 2023)	100%	Full Consolidation
Godrej Skyline Developers Private Limited (wef 28 th September 2023)	93%	Full Consolidation
Godrej Real Estate Distribution Company Private Limited (wef 20 th July 2023)	100%	Full Consolidation
Dream World Landmarks LLP (wef 30 th September 2023)	40%	Full Consolidation
Joint Ventures (JV)		
Godrej Redevelopers (Mumbai) Private Limited	51%	Equity Method
Godrej Greenview Housing Pvt. Ltd	20%	Equity Method
Wonder Projects Development Pvt. Ltd	20%	Equity Method
Godrej Real View Developers Pvt. Ltd	20%	Equity Method
Pearlite Real Properties Pvt. Ltd	49%	Equity Method
Godrej Green Homes Private Limited	50%	Equity Method
Godrej Macbricks Private Limited	20%	Equity Method
Munjali Hospitality Private Limited	12%	Equity Method
Vivrut Developers Private Limited	20%	Equity Method
Madhuvan Enterprises Private Limited	20%	Equity Method
Vagishwari Land Developers Private Limited (w.e.f. 10 June 2021)	20%	Equity Method
Yerwada Developers Private Limited (w.e.f. 31 January 2022)	20%	Equity Method

¹ Share of profits in case of LLPs

Entity Name	Ownership ¹	Consolidation Approach
Godrej Property Developers LLP	32%	Equity Method
Mosaic Landmarks LLP	1%	Equity Method
Oxford Realty LLP	35%	Equity Method
Godrej SSPDL Green Acres LLP	37%	Equity Method
M S Ramaiah Ventures LLP	49.5%	Equity Method
Caroa Properties LLP	35%	Equity Method
Godrej Housing Projects LLP	50%	Equity Method
Godrej Amitis Developers LLP	46%	Equity Method
A R Landcraft LLP	40%	Equity Method
Prakhhyat Dwellings LLP	50%	Equity Method
Godrej Highview LLP	40%	Equity Method
Godrej Irismark LLP	50%	Equity Method
Godrej Projects North Star LLP	55%	Equity Method
Godrej Developers & Properties LLP	37.5%	Equity Method
Roseberry Estate LLP	49%	Equity Method
Suncity Infrastructures (Mumbai) LLP	60%	Equity Method
Mahalunge Township Developers LLP	40%	Equity Method
Manyata Industrial Parks LLP	1%	Equity Method
Manjari Housing Projects LLP	40%	Equity Method
Universal Metro Properties LLP	49%	Equity Method
Godrej Odyssey LLP	55%	Equity Method
Embellish Houses LLP	50%	Equity Method
Godrej Projects North LLP	50.10%	Equity Method
Crystalline Home Developers Private Limited (wef 5 th September 2023)	50%	Equity Method
Associate Company		
Godrej One Premises Management Pvt. Ltd	30%	Equity Method

Source: Company

ANALYST CONTACTS

Rajeshwar Burla
+91 40 6939 6443
rajeshwar.burla@icraindia.com

Anupama Reddy
+91 40 6939 6427
anupama.reddy@icraindia.com

Tushar Bharambe
+91 22 6169 3347
tushar.bharambe@icraindia.com

Chintan Chheda
+91 22 6169 3363
chintan.chheda@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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