

February 22, 2022

Godrej Industries Limited - Update on material event

Summary of rating outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture Programme	3,000.00	3,000.00	[ICRA]AA(Stable); outstanding
Long-term fund-based facilities	90.00	90.00	[ICRA]AA(Stable); outstanding
Long term loans	1,200.00	1,200.00	[ICRA]AA(Stable); outstanding
Long-term, Non-Fund Based facilities	50.00	50.00	[ICRA]AA(Stable); outstanding
Short Term Loans	200.00	200.00	[ICRA]A1+; outstanding
Short Term – Non-fund-based facilities	600.00	600.00	[ICRA]A1+; outstanding
Commercial Paper Programme	1,940.00	1,940.00	[ICRA]A1+; outstanding
Commercial Paper Programme^	60.00	60.00	[ICRA]A1+; outstanding
Total	7,140.00	7,140.00	

*Instrument details are provided in Annexure-1

^Carved out of the above mentioned long-term, fund-based limits

Rationale

Vide an announcement dated February 11, 2022 in the BSE, Godrej India Limited's (GIL/the company) Board has approved further investment of up to Rs. 2,000 crore in Godrej Properties Limited (GPL) and Rs. 500 crore in Godrej Agrovet Limited (GAVL) by way of subscription/purchase of securities. The investments would be subject to shareholders' approval. Based on discussions with GIL's management, ICRA understands that this is an enabling resolution, and that the investment plans are in preliminary stages currently. Further, details on the actual likely quantum of investments, timeline, and funding mix of these investments are yet to be finalised. ICRA will continue to monitor the developments on this front and take appropriate rating action as and when further details are available.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Holding Companies
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

GIL is the holding company of the Godrej Group, which has interests in real estate, agriculture and consumer goods (through its subsidiaries, associate companies and JV companies). On standalone basis, apart from being the holding company for the group, the company is engaged in the oleochemicals business, where it is the domestic market leader. As on December 31,

2021, GIL's unencumbered listed investment portfolio (book value) stood at Rs. 3,937.6 crore (market value of unencumbered listed investments remaining at ~Rs. 54,358 crore), with key investments in Godrej Consumer Products Limited (GCPL, [ICRA]AAA(Stable)/[ICRA]A1+, 23.8% stake), Godrej Agrovet Limited (GAVL, [ICRA]AA(Stable)/[ICRA]A1+, 62.5% stake) and Godrej Properties Limited (GPL, [ICRA]AA(Positive)/[ICRA]A1+, 47.3% stake). The company's manufacturing facilities are located in Ambarnath (Thane, Maharashtra), Dombivali (Thane, Maharashtra), Wadala (Mumbai) and Valia (Gujarat). GIL also generates rental income from its Vikhroli premises in Mumbai. The promoters hold a 67.18% equity in the company (as on December 31, 2021) while the remaining is held by public.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)					Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on November 12, 2021 (Rs. crore)	Date & Rating in February 22, 2022	Date & Rating in Nov 22, 2021	Date & Rating in FY2021		Date & Rating in FY2020	Date & Rating in FY2019
							Mar 19, 2021	Mar 04, 2021 Dec 03, 2020		
1	Proposed Non-Convertible Debenture Programme	Long-term	-	-	-	-	[ICRA]AA (Stable)	-	-	-
2	Non-Convertible Debenture Programme	Long-term	3,000.00	3,000.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-
3	Fund-based Facilities	Long-term	90.00	NA	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
4	Term Loans	Long-term	1,200.00	531.26	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
5	Non-fund Based Facilities	Long-term	50.00	NA	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
6	Short-term Loans	Short-term	200.00	NA	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
7	Non-fund Based Facilities	Short-term	600.00	NA	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
8	Commercial Paper Programme^	Short-term	60.00	NA	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
9	Commercial Paper Programme	Short-term	1,940.00	1,320.00*	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

*Outstanding as on February 21, 2022

Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-Convertible Debentures	Very Simple
Fund-based Term Loan	Simple
Fund Based Working Capital Limits	Simple
Non-Fund Based Working Capital Limits	Very Simple
Fund-based Short-Term Loans	Very Simple
Non-Fund Working Capital Limits	Very Simple
Commercial Paper	Very 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: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (RS Crore)	Current Rating and Outlook
INE233A08022	NCD	16-Jul-20	6.24%	14-Jul-23	750.00	[ICRA]AA(Stable)
INE233A08030	NCD	28-Oct-20	6.43%	26-Apr-24	750.00	[ICRA]AA(Stable)
INE233A08048	NCD	14-May-21	6.92%	14-May-25	750.00	[ICRA]AA(Stable)
INE233A08055	NCD	28-Sep-21	7.58%	28-Sep-28	750.00	[ICRA]AA(Stable)
NA	Term Loan (Long Term)	28-Mar-2019	1Y-MCLR	31-Mar-25	500.00	[ICRA]AA(Stable)
NA		-	-	-	700.00	[ICRA]AA(Stable)
NA	Fund Based – Working Capital	-	-	-	16.00	[ICRA]AA(Stable)
NA		-	-	-	15.00	[ICRA]AA(Stable)
NA		-	-	-	15.00	[ICRA]AA(Stable)
NA		-	-	-	14.50	[ICRA]AA(Stable)
NA		-	-	-	14.50	[ICRA]AA(Stable)
NA		-	-	-	15.00	[ICRA]AA(Stable)
NA	Non-Fund Based	-	-	-	50.00	[ICRA]AA(Stable)
NA	Short Term Loans	-	-	-	200.00	[ICRA]A1+
NA	Non-Fund Based – Working Capital	-	-	-	21.00	[ICRA]A1+
NA		-	-	-	21.00	[ICRA]A1+
NA		-	-	-	21.00	[ICRA]A1+
NA		-	-	-	21.00	[ICRA]A1+
NA		-	-	-	21.00	[ICRA]A1+
NA		-	-	-	21.00	[ICRA]A1+
NA		-	-	-	21.00	[ICRA]A1+
NA		-	-	-	474.00	[ICRA]A1+
INE233A14TR6	Commercial Paper	22-Dec-21	3.69%	22-Feb-22	75.00	[ICRA]A1+
INE233A14TL9		26-Nov-21	3.68%	24-Feb-22	75.00	[ICRA]A1+
INE233A14TM7		02-Dec-21	3.73%	02-Mar-22	70.00	[ICRA]A1+
INE233A14TN5		08-Dec-21	3.67%	09-Mar-22	75.00	[ICRA]A1+
INE233A14TP0		15-Dec-21	3.69%	15-Mar-22	75.00	[ICRA]A1+
INE233A14TO3		17-Dec-21	4.10%	14-Jun-22	75.00	[ICRA]A1+
INE233A14TS4		06-Jan-22	4.23%	07-Apr-22	75.00	[ICRA]A1+
INE233A14TT2		11-Jan-22	4.02%	12-Apr-22	75.00	[ICRA]A1+
INE233A14TV8		13-Jan-22	3.87%	13-Apr-22	75.00	[ICRA]A1+
INE233A14TU0		17-Jan-22	3.92%	18-Apr-22	75.00	[ICRA]A1+
INE233A14TW6		21-Jan-22	3.87%	21-Apr-22	75.00	[ICRA]A1+
INE233A14TX4		24-Jan-22	3.89%	25-Apr-22	75.00	[ICRA]A1+
INE233A14TY2		31-Jan-22	3.92%	29-Apr-22	75.00	[ICRA]A1+
INE233A14TZ9		02-Feb-22	4.10%	04-May-22	75.00	[ICRA]A1+
INE233A14UA0		08-Feb-22	4.05%	09-May-22	75.00	[ICRA]A1+
INE233A14UB8		09-Feb-22	4.24%	11-May-22	70.00	[ICRA]A1+
INE233A14UC6		11-Feb-22	4.29%	13-May-22	65.00	[ICRA]A1+
INE233A14UD4		15-Feb-22	4.26%	17-May-22	65.00	[ICRA]A1+
Yet to be placed		-	-	-	680.00	[ICRA]A1+

Source: Company

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

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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About ICRA Limited:

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