

February 17, 2023

Godrej Green Homes Private Limited: Update on Entity

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating outstanding
Term loans	900.00	900.00	[ICRA]A (Stable)
Total	900.00	900.00	

*Instrument details are provided in Annexure I

Rationale

Godrej Green Homes Private Limited (GGHPL) has informed ICRA via email on February 09, 2023 about the one-day delay in servicing one of the term loans availed from a bank, because of operational reasons. The company's loan against property (LAP) cum construction finance (CF) loan of Rs. 300 crore was converted into Lease Rental Discounting (LRD) facility on December 30, 2022 and the first EMI for the said loan amounting to Rs. 2.6 crore was due on January 01, 2023 which was a non-working day (Sunday). The EMI for the said loan was cleared on the next working day, i.e. January 2, 2023. As on December 31, 2022, the company had Rs. 13.2 crore in bank accounts and fixed deposits and Rs. 10.7 crore in mutual funds as against the EMI obligations of Rs. 5.8 crore due in January 2023 (across all the loans). ICRA notes that the shortfall in the EMI debit was because of operational reasons, and the company was carrying adequate liquidity buffer on its balance sheet, which was adequate to cover the required EMI payment. The payment obligations for other loans of GGHPL were serviced on the due date.

ICRA has a rating of [ICRA]A (Stable) outstanding for the Rs. 900.0 crore term loans availed by the company. The rating remains unchanged at [ICRA]A (Stable) as the liquidity position is adequate to service debt obligations and the delay was purely because of operational reasons.

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- Lease Rental Discounting
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in December 2013, Godrej Green Homes Private Limited's (GGHPL) shareholders are Godrej Properties Limited (GPL, rated [ICRA]AA with Positive outlook) and GBTC I (Master) Pte. Ltd (managed by Godrej Fund Management Pte Ltd). The SPV owns the commercial real estate project called Godrej Two, located in Pirojshanagar, Vikhroli in Mumbai. The property is a part of an integrated township (The Trees) being developed by the Group. GPL and GBTC I hold 50% stake each in the company.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating (FY2023)		Chronology of rating history for past 3 years				
			Amount outstanding as on November 30, 2022 (Rs. crore)	Date & rating in FY2023	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020	
				Feb 17, 2023	Dec 23, 2022	Sep 20, 2021			
1	Term loans	Long term	900.0	815.2	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term loans	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 1	Jun-2021	NA	May-2033	300.0	[ICRA]A (Stable)
NA	Term loan 2	Jun-2021	NA	May-2024	300.0	[ICRA]A (Stable)
NA	Term loan 3	Dec-2021	NA	Dec-2024	300.0	[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 – Not Applicable

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About ICRA Limited:

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Branches



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