

## Green Woods Palaces and Resorts Private Limited

December 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	41.60 (Reduced from 79.60)	CARE A; Stable	Upgraded from CARE A-; Stable

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Revision in the rating assigned to bank facilities of Green Woods Palaces and Resorts Private Limited (Green Woods) is driven by the healthy operational cash flows generated in FY25 (Audited) and H1FY26 (Unaudited) [FY refers to April 01 to March 31], and the prepayment of term loans that has resulted in a significant improvement in the company's financial risk profile while maintaining strong liquidity. The company's revenue improved in FY25, supported by an improvement in average room revenue (ARR) and healthy profitability, with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin remaining at ~39%. The rating also derives comfort from the experienced promoter group, its established operational tie-up with The Indian Hotels Company Limited (IHCL), and the strategic location of the property at the Mumbai airport.

However, the rating remains constrained by the company's dependence on a single property, the inherent susceptibility of the hospitality sector to economic cycles, and the competitive industry landscape.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Significant increase scale of operations while maintaining PBILDT margin at existing levels.

#### Negative factors

- Notable decline in the revenue or profitability by over 30% y-o-y.
- Significant debt-funded capex impacting the credit risk matrix, going forward.
- Deterioration in the liquidity profile of the company.

**Analytical approach:** Standalone

#### Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the credit risk profile of the company will remain stable over the near term, supported by healthy cash flows driven by rising ARRs and sustained high occupancy levels.

### Detailed description of key rating drivers:

#### Key strengths

##### Improved revenue and healthy profitability

In FY25, the company's revenue from operations increased by 6.5% y-o-y to ₹224.24 crore (PY: ₹210.51 crore), supported by a healthy occupancy level of 93% and an improvement in ARR to ₹13,275 in FY25 (from ₹12,085 in FY24). Operating profitability remained strong, with a PBILDT margin of 38.94%. Additionally, the prepayment of term loans resulted in lower interest costs, leading to an improvement in the profit after tax (PAT) margin to 20.34% in FY25 (PY: 17.74%).

In H1FY26, the company reported revenue of ₹102.03 crore, supported by a healthy occupancy level of 92%. Profitability remained strong, with a PBILDT margin of 34.45% and a PAT margin of 17.84%. Generally, the ARR from November to February is higher, driven by peak tourist inflow, festive-season demand, and strong business travel. This seasonal uplift typically enhances occupancy mix and supports improved operating performance and higher profitability in the latter half of the year.

##### Comfortable financial risk profile

The company's financial risk profile remains comfortable, supported by steady cash flows and a declining debt burden. Overall gearing improved to 0.63x in FY25 (FY24: 2.37x) considering significant prepayment of term loans. The interest coverage ratio also strengthened, rising from 4.11x in FY24 to 7.33x in FY25, reflecting improved operating performance and lower finance costs.

In H1FY26, overall gearing marginally moderated to 1.62x, primarily due to the dividend payout of ₹41 crore; however, leverage continues to remain comfortable. Liquidity remains healthy, with cash and cash equivalents of ₹78 crore as on September 30, 2025, against a term loan outstanding of ₹52.39 crore. Going forward, the company plans to bring down the term loan to ~₹30

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

crore by December 31, 2025, and intends to fully repay the remaining debt by the end of FY26, which is expected to further strengthen its capital structure.

### **Operations and management agreement with the Taj group of hotels and strength of the renowned Taj brand**

Green Woods has an operating and branding arrangement with the Taj group of hotels, which enhances its market positioning through the strong brand equity, global marketing reach, and established operational excellence associated with "The Taj" brand. The company has entered a hotel operating agreement with IHCL for managing its property, Taj Santacruz. Under this arrangement, it pays a base management fee of 2% of revenue and an incentive fee of 6% on gross profit, after deducting these fees. This long-standing association with IHCL continues to support the hotel's visibility, occupancy, and premium pricing.

### **Strategic and prime location of the property despite being a single-location asset**

The hotel, with a built-up area of 452,000 sq. ft. and an inventory of 279 rooms, is strategically positioned at Mumbai Airport, enabling it to attract tourist, business, and MICE-related demand. Increased passenger traffic at the airport and rising consumer spending in the hospitality sector have supported high occupancy levels of 93% in FY25 and 92% in H1FY26. While the company remains exposed to concentration risk due to reliance on a single property, its prime location and association with the Taj brand provide strong visibility and healthy growth prospects.

## **Key weaknesses**

### **Economic vulnerability and seasonal challenges**

The hospitality industry is inherently sensitive to economic cycles, with demand for hotel services closely linked to broader macroeconomic conditions. In economic downturns or periods of subdued discretionary spending, occupancy levels and ARR may decline, impacting overall performance. The industry is also highly competitive, with both domestic and international brands competing on pricing, customer experience, and service quality, which can pressure margins and necessitate higher marketing and operating costs. Demand patterns are further influenced by foreign tourist arrivals (FTAs) and the growth of the Meetings, Incentives, Conferences, and Exhibitions (MICE) segment. Seasonal variations, driven by holidays, events, and climatic conditions, add another layer of uncertainty. While Green Woods benefits from its premium positioning and strategic airport location, enabling it to sustain healthy occupancy, it remains exposed to broader macroeconomic, competitive, and seasonal fluctuations.

### **Liquidity: Adequate**

Liquidity remains adequate, with the company reporting a CFO of over ₹70 crore in FY25 and a projected gross cash accruals (GCA) of ₹75.23 crore against debt repayments of ~₹6 crore in FY26. Liquidity is further supported by free cash and cash equivalents of over ₹78 crore as on September 30, 2025, the absence of fund-based working capital limits, and a comfortable current ratio of 2.78x as on March 31, 2025.

**Assumptions/Covenants-** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### **Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Hotels & Resorts](#)

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## **About the company and industry**

### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Leisure services	Hotels and resorts

Green Woods is a consortium, jointly set up by Greenridge Hotels & Resorts Private Limited (51% holding) and TAJGVK Hotels & Resorts Limited (49% holding). The company operates a five-star hotel and is being run under the brand name 'TAJ SANTACRUZ' at Mumbai airport. It comprises room inventory of 279 rooms catering to the tourists, business, and conference segments with speciality restaurants, all-day dining, bar, banquet hall, functional hall, swimming pool, spa, gym, and business centre retails.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	210.51	224.24	102.03
PBILDT	88.96	87.33	35.15
PAT	37.35	45.61	18.21
Overall gearing (times)	2.37	0.63	1.62
Interest coverage (times)	4.11	7.33	9.10

A: Audited UA: Unaudited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	30/09/2028	41.60	CARE A; Stable

#### Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	41.60	CARE A; Stable	-	1)CARE A-; Stable (10-Dec-24)	1)CARE BBB+; Stable (07-Dec-23)	1)CARE BBB; Stable (28-Dec-22)

LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities-** Not applicable

#### Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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