

April 16, 2014

**CARE REAFFIRMED THE RATING ASSIGNED ISSUER RATING OF  
ASHIANA HOUSING LIMITED**

**Rating**

Facilities	Rating <sup>1</sup>	Remarks
Issuer Rating	CARE BBB+ (Is) [Triple B Plus (Issuer Rating)]	Reaffirmed

**Rating Rationale**

The rating continues to take into account comfortable financial risk profile along with continued operating performance during FY13 (refers to the period April 01 to March 31) and considerable progress achieved in ongoing projects including booking status. The rating continues to draw strength from the promoter's experience, demonstrated track record of the company in executing real estate projects and comfortable financial profile of the company characterized by consistent growth in earnings, high profitability and low gearing. The rating, however, is constrained due to presence of majority of the projects in Tier-II and III cities, high competition and inherent risk associated with real estate sector.

Going forward, Ashiana Housing Limited's (AHL) ability to maintain healthy capital structure, maintain its sales momentum, and the performance of the real estate industry would be the key rating sensitivities.

**Background**

Incorporated in June 1986 as Ashiana Housing and Finance India Limited and rechristened to Ashiana Housing Limited (AHL) in 1992, AHL is a real estate player focused on residential projects for middle income group. The company got listed on NSE and BSE in 1992. Apart from real estate development and related services, the company is also into hospitality business with one hotel operating in Bhiwadi (Haryana) and another hotel under construction at Jamshedpur (Jharkhand). AHL reported a total operational income of Rs.155 crore in FY13 (refers to period from April 1 to March 31), with PBILDT margin and PAT margin of 27.50% and 21.34%, respectively. As per provisional financial results for 9MFY14 (refers to period from April 1 to September 30), AHL earned a PAT of Rs.19 crore on total operating income of Rs.92 crore.

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<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

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