

March 26, 2013

**CARE REVISES THE RATING ASSIGNED ISSUER RATING OF  
ASHIANA HOUSING LIMITED****Rating**

| Facilities    | Rating <sup>1</sup>                               | Remarks  |
|---------------|---|--|
| Issuer Rating | CARE BBB+ (Is)<br>[Triple B Plus (Issuer Rating)] | Revised from CARE BBB (Is)<br>[Triple B (Issuer Rating)] |

**Rating Rationale**

The revision in rating takes into account improved operational performance of the company during FY12 (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, execute projects, achieve sales within envisaged cost and timelines, and 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), 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 operation income of Rs.249 crore in FY12, with PBILDT margin and PAT margin of 34.5% and 27.9%, respectively. As per provisional financial results for 9MFY12, AHL earned a PAT of Rs.23 crore on total operating income of Rs.77 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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