



Ashiana Housing Limited

Instrument	Amount Rated (Rs. Crore)	Rating Action
Term Loan	50.00	Reaffirmed [ICRA]BBB (Stable)

ICRA has reaffirmed [ICRA]BBB (pronounced as ICRA triple B) rating to Rs. 50.00 crore* term loan of Ashiana Housing Limited (AHL)†. The outlook on the long term rating is stable.

The rating continues to derive comfort from AHL's long track record of operations in real estate industry, its established presence in the real estate markets of Bhiwadi and Jamshedpur, its low gearing level, healthy growth in its operating income and strong profitability in its projects. The rating also takes into consideration its low commitment towards land payments as majority of its land parcels are paid for. The rating on the other hand is constrained by the execution risk arising from relatively larger projects being launched and high market risk given the sluggishness in the industry amid high interest rates and slowdown in economic activities. The rating further takes into account high geographic concentration risk faced by the company as a significant portion of its projects under development is concentrated in two cities namely Bhiwadi and Jaipur which is further accentuated by company's plans to launch more projects in Bhiwadi in the near term. The rating also takes into consideration the clearance of regulatory hurdles for AHL's active senior living resort project at Lavasa, Pune however the sales for the project are yet to pick up. AHL is also entering into new geographies and sectors; however the benefits of diversification are yet to accrue.

Company Profile

Ashiana Housing Limited (AHL) (earlier named Ashiana Housing Finance Limited) was incorporated in 1986 at Kolkata (Erstwhile Calcutta) by Mr. Om Prakash Gupta. The company has been involved in real estate development activities since inception. The company is primarily present in residential housing segment apart from a single mall and hotel property at Bhiwadi.

AHL has developed more than 90 lakh square feet of residential space so far. Currently the company is developing seven projects of which five are residential housing and two are retirement resorts†. The projects are being developed in phases and are in different stages of completion. Some of the projects are being developed in association with other developers. The company is also developing a hotel property in Jamshedpur under the brand name of "Hyatt Place".

Recent Results

On a consolidated basis, AHL reported operating income of Rs. 149.77 crore and profit after tax of Rs. 43.86 crore during FY2011 and operating income of Rs. 148.62 crore and profit after Tax of Rs. 42.9 crore in nine months ended December 31, 21011. .

March 2012

* 100 lakh = 1 crore = 10 million

† For complete rating scale and definitions, please refer to ICRA's Website, www.icra.in, or any of the ICRA Rating Publications.

† These are specific housing projects which are designed and built to meet the needs of elderly people



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