



## Ashiana Housing Limited

### Rating History

| Instrument | Amount Rated | Amount Outstanding as on<br>February 15, 2011 | Rating   |
|------------|--------------|---|----------|
|            | In Rs. Crore |   | Previous |
| Term Loan  | 50.00        | NA  | NA       |

ICRA has assigned LBBB (pronounced as L triple B) rating to Rs. 50.00 crore<sup>1</sup> proposed term loan of Ashiana Housing Limited (AHL)<sup>†</sup>. The outlook on the rating is stable.

The rating factors in AHL's long track record of operations in real estate development, its established presence in the real estate markets of Bhiwadi and Jamshedpur, and its low gearing levels. The rating also takes into consideration its low commitment towards land payment as majority of its land parcels are paid for. The rating is, however, constrained by execution risks arising from the larger size of ongoing projects as compared to projects executed in past, market risk owing to increasing competition, regulatory risk faced by the company for its retirement resort project at Lavasa, and geographical concentration risk with more than 70% of its current projects, in terms of saleable area, located in Jaipur and Bhiwadi. The rating also takes into consideration AHL's plans to enter new geographies, new sectors such as hospitality and its significant land acquisition plans.

### 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<sup>2</sup>. 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 also plans to develop a hotel property in Jamshedpur, however the plans for the same are yet to finalize.

### Recent Results

On a consolidated basis, AHL reported total sales of Rs. 95.78 crore and profit after tax of Rs. 26.90 crore during 9M FY2011.

February 2011

<sup>†</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.

<sup>1</sup>100 lakh =1crore=10million

<sup>2</sup>These are specific housing projects which are designed and built to meet the needs of elderly people



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