Ashiana Housing Ltd — Rating update 1d Credit Rating Summary

Section	Details
Agency	CARE Ratings Ltd.
Rating Change	**A → A+** (Upgraded by 1 notch)
Outlook (Current vs Previous)	**Stable** (Current) vs **Stable** (Previous)
Key Drivers of Change	1. **Record Operational Scale:** Achieved highest-ever annual bookings of □2,421 Cr and collections of □1,771 Cr in FY26; collections expected to sustain at ~□2,000 Cr in the medium term. 2. **Robust Cash Flow Visibility:** Committed receivables of over □2,900 Cr as of June 2026 cover >100% of remaining project costs and outstanding debt. 3. **Conservative Leverage:** Net worth increased to >□850 Cr with overall gearing at 0.38x; Debt-to-collection ratio at a strong 0.18x. 4. **PWA Debt Structure:** ~□193 Cr of NCDs are under "Payable-When-Able" structures, providing significant financial flexibility and reducing repayment pressure.
Rated Instruments	1. NCDs (Series INE365D07085): □**93.75 Cr**, CARE A+; Stable 2. NCDs (Series INE365D08026): □**61.71 Cr**, CARE A+; Stable 3. NCDs (Series INE365D08075): □**56.81 Cr**, CARE A+; Stable 4. Long-term Bank Facilities: □**18.55 Cr**, CARE A+; Stable
Key Observations	• **Strengths:** 40 years of experience; market leader in the niche senior-living and kid-centric housing segments. • **Operational Efficiency:** ~83% of launched area sold; 56% of total project costs already incurred, reducing execution uncertainty. • **Liquidity:** Strong cash/liquid balance of >□800 Cr vs. low total debt of □306 Cr. • **Diversification:** Projects spread across 7 locations including Gurugram, Pune, Chennai, and Jaipur. • **Risks:** High reliance on customer advances for future funding; moderate saleability risk in Tier-II cities (42% booked vs 58% in Tier-I); inherent real estate cyclicality.
Investor Impact	• **Growth:** Massive revenue jump from □528.8 Cr (FY25) to □1,143.28 Cr (FY26). • **Margins:** PAT surged from □18.24 Cr to □118 Cr; Interest coverage improved from 1.28x to 2.66x. • **Leverage:** Low risk; PWA debt structure acts as a buffer for equity holders during market downturns. • **Dilution Risk:** Minimal, as robust internal accruals and customer advances fund the 38 lsf upcoming pipeline.
Agency / Cross Analysis	**Same Agency:** CARE has maintained a 'Stable' outlook since 2023 but upgraded the rating based on the company breaching the □1,000 Cr+ revenue mark and achieving superior collection efficiency. **Conclusion: Improvement.** The rating upgrade validates a fundamental shift in the company's scale of operations while maintaining a "debt-light" growth model.
Final Inference	**Real Improvement.** The upgrade reflects Ashiana's transition from a mid-sized player to a large-scale developer with □2,400 Cr+ pre-sales. For equity investors, the combination of a niche dominant position (Senior Living) and a surplus liquidity position (□800 Cr cash) signals a high-quality, low-risk growth trajectory.