

Ashiana Housing Ltd — 26 Dec 2025 Credit Rating Summary

Section	Details
Agency	CARE Ratings Ltd.
Rating Change	CARE A; Stable (Reaffirmed / No notches moved)
Outlook	Stable vs Stable (Consistent expectation of sales momentum and low leverage)
Key Drivers of Change	• Robust Cash Visibility: Committed receivables of ₹2,200 Cr cover >100% of balance project costs + debt. • Operational Surge: FY25 bookings reached ₹1,900 Cr with collections >₹1,400 Cr, driven by 10 new launches (20 lsf). • Liquidity Buffer: Strong cash/liquid balance of ₹442 Cr (as of Sept 2025) against rising but manageable debt. • Low Inventory Risk: Unsold inventory is down to ~3 quarters (based on last 4 quarters' sales velocity).
Rated Instruments	• NCDs: ₹125.00 Cr
Key Observations	(+) Specialized niche in "Senior Living" and "Kid-centric" homes provides pricing power. (+) High execution capability with 323 lsf completed to date. (+) Asset-light funding: Major dependence on customer advances rather than bank debt. (-) Execution Risk: 79 lsf ongoing at intermediate stage (only 51% cost incurred); 50 lsf upcoming projects planned. (-) P&L Volatility: Reported Revenue dropped ~44% (₹38 Cr in FY24 to ₹528 Cr in FY25) due to project completion accounting. (-) Geographic Risk: Moderate saleability in Tier-II cities (46% booked) vs Tier-I (54% booked).
Investor Impact	• Growth: Massive pipeline (50 lsf upcoming) suggests strong future revenue recognition. • Margins: Interest coverage dipped to 1.28x in FY25 (from 5.97x) due to lower recognized revenue; monitor for recovery in H2FY26. • Leverage: Gearing increased from 0.19x to 0.42x (H1FY26) to fund land/launches but remains best-in-class. • Dilution Risk: Low; growth is being comfortably funded through NCDs and internal accruals.
Agency / Cross Analysis	Same Agency: CARE maintains a "Stable" stance despite a sharp accounting PAT drop (₹3 Cr to ₹18 Cr), signaling they are valuing the Cash Flow/Booking cycle over temporary P&L reporting lags. The assignment of a new ₹70 Cr rating indicates the agency is comfortable with the company's incremental debt-taking capacity for expansion.
Final Inference	Real Operational Improvement: The rating reaffirmation is a positive signal for equity investors; the "accounting" profit dip is decoupled from "actual" cash health. The business is scaling up (higher debt and launches) but maintains a high safety margin via massive committed receivables.