

September 30, 2025

Ashiana Housing Limited: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long -term -Unallocated	50.0	50.0	[ICRA]A (Stable); reaffirmed
Long term- Non fund based-others	-	15.0	[ICRA]A (Stable); assigned
Total	50.0	65.0	

*Instrument details are provided in Annexure-I

Rationale

The rating reaffirmation for Ashiana Housing Limited (AHL) factors in the improvement in the company's sales and collections in FY2025, which is expected to sustain in FY2026, supported by adequate sales velocity, strong launch pipeline and healthy construction progress. AHL's collections increased by 40% to Rs. 1,484 crore in FY2025, driven by adequate sales in its ongoing projects, good response to new launches, along with steady construction progress and is likely to improve by 11%-13% in FY2026. AHL's committed receivables remained healthy at Rs. 2,408 crore as of June 2025 against the pending cost of Rs. 1895 crore and total external debt of Rs. 252 crore (including IFC NCDs of Rs. 109 crore), translating into a comfortable cash flow adequacy¹ of 112.6% as of June 2025. The rating further derives comfort from the strong leverage position, marked by Total External Debt/CFO at 0.5 times as of March 2025 and is expected to remain at 0.5-0.7 times as of March 2026, supported by limited reliance on external debt and healthy cash flows. Liquidity remains strong, aided by unencumbered cash and bank balance of Rs. 401 crore as of June 2025. The rating draws comfort from AHL's long and established track record of more than four decades in the residential real estate development, its demonstrated project execution capabilities and a strong brand recall in its core markets.

The ratings, however, remains exposed to execution and market risks with ~1.6 msf of unsold area in the ongoing projects, along with 52% of cost yet to be incurred as of June 2025. It has a sizeable launch pipeline of 3.4 msf over the medium term. Nonetheless, AHL's healthy track record of sales, along with successful execution of projects in a timely manner mitigates the risk to an extent. Timely launch of upcoming projects, along with healthy sales and collections momentum, would be critical for improving the CFO. The rating remains constrained by AHL's low profitability margin with operating profit margin at 3.3% in FY2025 (PY: 9.8%). The low profitability is attributable to some of the low margin legacy projects of the company. The real estate sector's inherent cyclicity and high dependence on macroeconomic conditions continue to pose risks, exposing AHL to demand downturns and competitive pressures.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will continue to improve collections, supported by good sales velocity and strong launch pipeline, along with sustenance of comfortable debt protection metrics.

Key rating drivers and their description

Credit strengths

Expected improvement in collections in FY2026 and strong leverage – The rating factors in the improvement in the company's sales and collections in FY2025, which is expected to sustain in FY2026, supported by adequate sales velocity, strong launch pipeline and healthy construction progress. The company's collections increased by 40% to Rs. 1,484 crore in FY2025, driven

¹Committed receivables / (Pending cost + Debt outstanding)

by adequate sales in its ongoing projects, good response to new launches, along with steady construction progress and is likely to improve by 11%-13% in FY2026. The rating derives comfort from the strong leverage position as marked by Total External Debt/CFO at 0.5 times as of March 2025 and is projected to remain at 0.5-0.7 times as of March 2026, supported by limited reliance on external debt and healthy cash flows.

Healthy cashflow adequacy ratio – AHL's committed receivables remain healthy at Rs. 2,408 crore as of June 2025 against the pending cost of Rs. 1895 crore and total external debt of Rs. 252 crore (including IFC NCDs of Rs. 109 crore), translating into a comfortable cash flow adequacy of 112.6% as of June 2025.

Established real estate player with long track record – The rating draws comfort from AHL's long and established track record of more than four decades in residential real estate development, its demonstrated project execution capabilities and a strong brand recall in its core markets. At present, it is developing 8.3 msf of saleable area of which around 81% is already sold as of June 2025.

Credit challenges

Exposure to execution and market risks – The rating remains exposed to execution and market risks with ~1.6 msf of unsold area in the ongoing projects, along with 52% of the cost yet to be incurred as of June 2025. It has a sizeable launch pipeline of 3.4 msf over the medium term. Nonetheless, AHL's healthy track record of sales, along with successful execution of projects in a timely manner mitigates the risk to an extent. Timely launch of the upcoming projects, along with healthy sales and collections momentum, would be critical for improving the CFO.

Low profitability margins – The rating remains constrained by AHL's relatively low profitability margin with operating profit margin at 3.3% in FY2025 (PY: 9.8%). The profitability remains restricted due to some of the low margin legacy projects of the company.

Exposure to cyclical in India's real estate sector – The real estate sector's inherent cyclical and high dependence on macroeconomic conditions continue to pose risks, exposing AHL to demand downturns and competitive pressures.

Liquidity position: Strong

The company's liquidity profile is strong, supported by healthy unencumbered cash and bank balances of ~Rs. 401.6 crore as on June 30, 2025. The company has debt repayment obligations of around Rs. 77 crore in FY2026, which is expected to be comfortably met through its cash flow from operations.

Rating sensitivities

Positive factors – Significant and sustainable improvement in the scale of operations and profitability while maintaining healthy cash flows, leverage position and liquidity profile would be a positive trigger.

Negative factors – Pressure on the rating could emerge in case of significant decline in scale or profitability, delays in project execution, or significant unbudgeted debt-funded investments, leading to deterioration in the liquidity and cash flow position. Further, drop in cash flow adequacy ratio below 60%, on a prolonged basis, will be a negative trigger.

Environmental and social risks

The real estate segment is exposed to risks from increasing environmental norms, which impact operating costs, including higher costs of raw materials such as building materials and compliance expenses related to pollution control regulations. Environmental clearances are required for project commencements and lack of timely approvals can affect its business operations. The impact of changing environmental regulations on licences obtained for property development could also create credit risks. In terms of social risks, the post-pandemic environment has been favourable to real estate developers, as demand for quality homes with good social infrastructure has increased. Further, rapid urbanisation and a high proportion of the workforce population (aged 25-44 years) will support demand for real estate in India, thereby benefitting AHL. This is further supported by the healthy sales trend reported over recent quarters.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Commercial/Residential/Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered AHL's financials as enlisted in Annexure-II, as all these entities are involved in real estate operations and has close business, financial and managerial linkages.

About the company

AHL was incorporated in 1986 in Kolkata by Mr. Om Prakash Gupta. The company has been involved in real estate development activities since inception. At present, it is developing several projects, mainly residential housing projects, including senior living. The projects are being developed in phases and are in different stages of completion. Some of the projects are being developed in JVs with other developers.

Key financial indicators (audited)

Ashiana Housing Limited (Consolidated)	FY2024	FY2025
Operating income	940.0	528.8
PAT	77.8	18.3
OPBDIT/OI (%)	9.8%	3.3%
PAT/OI (%)	8.3%	3.5%
Total outside liabilities/Tangible net worth (times)	2.1	3.6
Total debt/OPBDIT (times)	1.6	15.4
Interest coverage (times)	44.9	7.3

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation, interest coverage ratio is calculated on OPBDIT;

Source: Company annual reports, ICRA Research.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2026)			Chronology of Rating History for the Past 3 Years							
	Type	Amount Rated (Rs. crore)	Sep 30, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Unallocated	Long term	50.00	[ICRA]A (Stable)	Jun 13, 2025	[ICRA]A (Stable)	Jun 14, 2024	[ICRA]A (Stable)	Jun 16, 2023	[ICRA]A (Stable)	Jun 24, 2022	[ICRA]A (Stable)
Non-fund based-others	Long term	15.0	[ICRA]A (Stable)	-	-	-	-	-	-	-	-
Non-convertible debentures	Long term	-	-	Jun 13, 2025	[ICRA]A (Stable); withdrawn	Jun 14, 2024	[ICRA]A (Stable)	Jun 16, 2023	[ICRA]A (Stable)	Jun 24, 2022	[ICRA]A (Stable)
Non-convertible debentures	Long term	-	-	-	-	-	-	Jun 16, 2023	[ICRA]A (Stable); Reaffirmed and withdrawn	Jun 24, 2022	[ICRA]A (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long -term -Unallocated	Not Applicable
Long term- Non fund based-others	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Unallocated	-	-	-	50.0	[ICRA]A (Stable)
NA	Non-fund based - Others	-	-	-	15.00	[ICRA]A (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis:

Company Name	AHL Ownership	Consolidation Approach
Ashiana Housing Limited	100% (rated entity)	Full Consolidation
Ashiana Maintenance Services LLP	99.7%	Full Consolidation
Latest Developers Advisory Ltd	100%	Full Consolidation
Topwell Projects Consultants Ltd	100%	Full Consolidation
Ashiana Amar Developers	100%	Full Consolidation
Nitya Care Homes Private Limited	100%	Full Consolidation
Kairav Developers Ltd	50%	Full Consolidation
Ashiana Greenwood Developers	50%	Full Consolidation
Megha Colonizers	50%	Full Consolidation
Ashiana Manglam Builders	50%	Full Consolidation
Vista Housing	50%	Full Consolidation

Source: Company; ICRA Research

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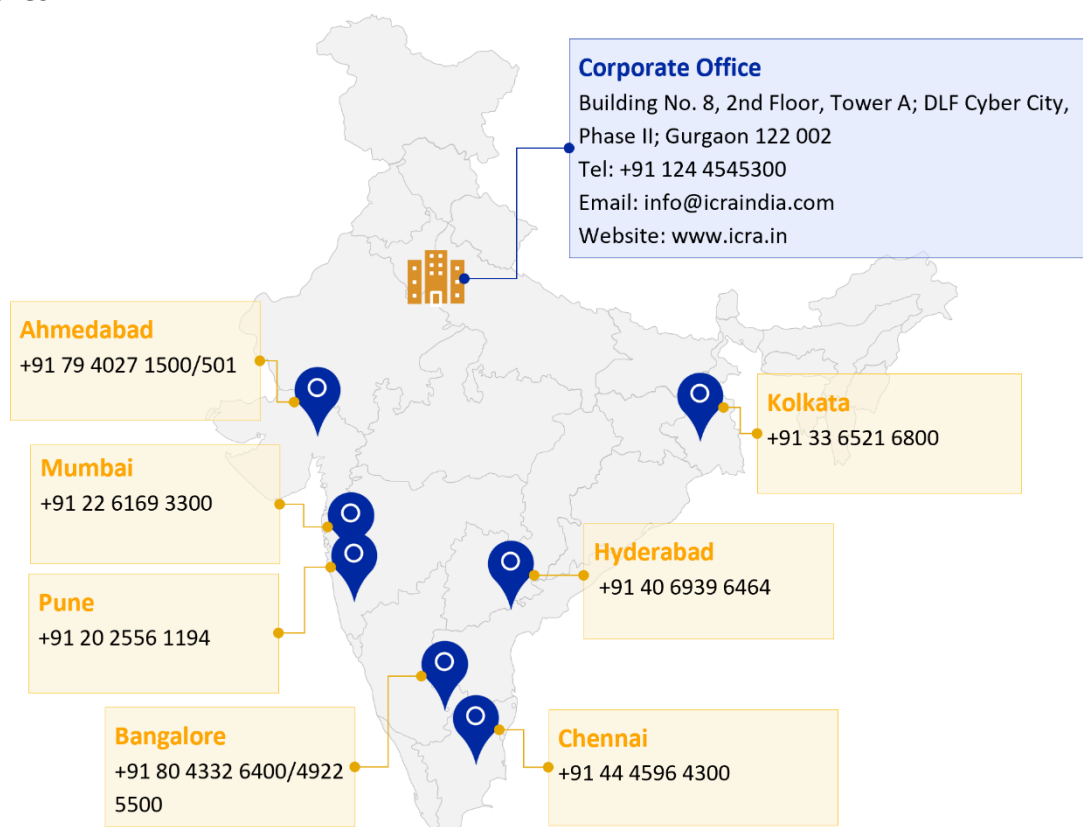
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