

Ashiana Dwellings Private Limited

October 17, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debentures	64.81	CARE D: ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Long-Term Instruments	64.81 (Rs. Sixty-Four Crore and Eighty-One Lakhs Only)		

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated [April 04, 2019](#); placed the rating of Ashiana Dwellings Private Limited (ADPL) under the 'issuer non-cooperating' category as ADPL had failed to provide information for monitoring of the rating. ADPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated July 18, 2022, July 08, 2022, and June 28, 2022. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders, and the public at large are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

At the time of last rating on August 12, 2021, the following were the rating strengths and weaknesses:

Key Rating Weakness

Ongoing Delays in Debt Servicing

There are ongoing delays in servicing of interest obligations of the OCD. The interest payment due on February 16, 2018 has not been made. This is due to the tight liquidity position owing to slowdown in real estate market leading to slow sales and collection from customers.

Project Execution Risk

ADPL is developing a residential project by the name of "Asiana Mulberry" with a total saleable area of 8.70 lsf. Out of the total project cost of Rs. 385.42 crore, ADPL had incurred around 36% till 30th September 2017. Thus, the company is at nascent stage of project execution and is exposed to significant amount of project implementation risk

Project saleability risk coupled with high dependence on customer advances for debt repayments

Till 30th September, 2017, the company had booked only 16% of total saleable area. Furthermore, out of the total project cost 65% is to be funded through customer advances. Thus, debt repayments and construction of the project are highly dependent on fresh sales and timely receipt of remaining customer advances. Industry Risk: The real estate sector is moving towards a more rational regime with developers now focusing on project execution and delivery. Further, with the introduction of RERA Act, the sector will move ahead to transparent and credible measures with sustenance for organized players. Moreover, the expected renewed interest by the banks in funding the developers is likely to result in the timely completion of the projects. As per market sentiments the India Real Estate Market may not witness a sharp reversal in FY17 but its long term the growth prospects remain strong as the sector continues to remain troubled with issues of high unsold inventory.

Key Rating Strengths

Experienced promoters with demonstrated track record of project execution

The company derives strength from experience of the promoters –Ashiana Homes Pvt Ltd in the real estate sector. The company has a track record of about 30 years of successful completion of several real estate projects, including development of township, group housing, commercial complexes, etc. Till October 2017, AHPL has developed more than 55 lsf of area with 11 completed projects in the NCR region.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Rating methodology for Real estate sector](#)

About the Company

Incorporated in 2014, Ashiana Dwellings Pvt Ltd (ADPL) is an SPV (Special Purpose Vehicle) of Ashiana Homes Pvt Ltd (AHPL), formed solely for the purpose of development of 'Ashiana Mulberry' project. AHPL hold ~80% stake in the company while remaining 20% by Indiareit; the real estate private equity arm of Piramal Group. Ashiana Mulberry is a residential and commercial project located in Sohna with total saleable area of 8.70 Isf (lac square feet).

Brief Financials (₹ crore)	March 31, 2019 (A)	March 31, 2020 (A)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23
Total operating income	0.11	NA	NA	NA	NA
PBILDT	-0.74	NA	NA	NA	NA
PAT	-0.31	NA	NA	NA	NA
Overall gearing (times)	0.40	NA	NA	NA	NA
Interest coverage (times)	0.00	NA	NA	NA	NA

A: Audited; NA: Not Available

Status of non-cooperation with previous CRA: ADPL has not cooperated with ICRA which has classified it into non-cooperative category vide its press release dated May 27, 2022

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE787R07015	2015-02-20	10%	19/02/2020	64.81	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (10-Jul-19) 2)CARE B; ISSUER NOT COOPERATING* (04-Apr-19)
2	Debentures-Non Convertible Debentures	LT	64.81	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (12-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (04-Apr-19)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Debentures-Non-Convertible Debentures	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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