



Press Release
ASHAR VENTURES
July 03, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	275.00	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	90.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	275.00	-	-
Total Withdrawn Quantum (Rs. Cr)	90.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of ‘**ACUITE BBB-**’ (read as **ACUITE triple B minus**) on Rs. 275 Cr. of bank loan facilities of Ashar Ventures. The outlook is ‘**Stable**’.

Also, Acuité has withdrawn the long-term rating of Rs. 90.00 Cr. bank facilities of Ashar Ventures without assigning any rating as the instrument is fully repaid. The rating has been withdrawn on account of the request received from the company and No Dues Certificate received from the banker in line with Acuite's policy on withdrawal of ratings as applicable to the respective instrument/facility.

Rationale for rating

The rating reaffirmation takes into account the on-track progress of the ongoing Ashar Pulse project and completion of the Ashar Axis project as per the schedule. The rating also factors the healthy cashflows from its projects resulting into sweeping of excess cashflows towards debt ahead of time. Also, the rating takes into cognizance the company's experienced promoters, established brand presence, low funding and moderate execution risk associated with the ongoing project. These strengths are, however, partially mitigated by its significant geographical concentration risk and inherent cyclicalities in the real estate industry.

About the Company

Established in 2012, Ashar Ventures is engaged in the construction of residential and commercial real estate projects. The firm is a part of Ashar Group which was established in 2001 and has a well-established presence in Thane, Mumbai with a history of delivering more than 5 million sq. ft. of commercial and residential area. The current partners of the firm are Mr. Ajay Ashar and Kryshnajay Developers Pvt Ltd.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of Ashar Ventures to arrive at the rating. Further, rating factors in cashflows from two of the firm's projects – Ashar Pulse & Ashar Axis.

Key Rating Drivers

Strengths

Established track record of operations with experienced management

Ashar Group is a Thane based commercial and residential real estate developer promoted by Mr. Ajay Ashar. The

group has more than two decades of experience as a real estate developer through various projects executed under multiple group entities. Currently Ashar Ventures is engaged in development of two residential buildings namely Ashar Pulse (0.49 million sq. ft. saleable area) & Ashar Arize (0.41 million sq. ft. saleable area) and has recently completed Ashar Axis. The projects comprise of residential and commercial spaces, located at very well-developed area comprising of hospitals, schools, supermarkets with a scope for further development as well. Moreover the promoters have demonstrated good execution capabilities with a reputation for quality and timely completion in the past. Therefore, promoters' industry experience is expected to support in a successful sale of the units in the on-going project.

Moderate Project Risk

The project Ashar Axis was successfully completed in August 2024 with nearly 97% of units sold as on date. The balance units pertain to commercial spaces which are expected to be sold in the near term. The complete debt for the project has also been prepaid.

Further, as on May 31, 2025, the ongoing project Ashar Pulse has been constructed to the extent of 61%, Rs. 415.85 Cr. of Rs. 679.16 Cr. incurred till date. Moreover, debt of Rs. 275 Cr. has been tied up for the project against which Rs. 199.90 Cr. has been drawn till date (outstanding of Rs. 189.91 Cr.). Furthermore, the project has registered sales of 49% of inventory against which collections have been received to the extent of 45%.

Therefore, considering the on-track implementation, financial tie ups, regular promoter contributions and moderate collections from inventory the project risk is expected to be moderate. Moreover, timely completion of the project and materialisation of balance inventory remains a key rating sensitivity.

Weaknesses

Geographical concentration risk and intense competition in the industry

The Ashar group, through its other group companies, have mostly executed its past projects in and around Thane, Mumbai. Moreover, the firm is executing all the current projects in Thane. Hence, the group is expected to remain geographically concentrated until any further diversification to a different city/state. Furthermore, the firm continues to remain exposed to intense competition from the established real estate developers in Thane, Mumbai.

Susceptibility to cyclicalities inherent in the Indian real estate industry

The real estate segment in India is cyclical and affected by volatile prices, opaque transactions and a highly fragmented market structure. Moreover, the industry is also exposed to certain regulatory policies and regulations which directly impact the demand and operating growth of real estate players. Hence, business risk profile of the firm will remain susceptible to risks arising from any industry slowdown.

Rating Sensitivities

- Timely completion of the project
- Timely realisation of customer advances pending from sold inventory and sale of unsold inventory to support the debt repayments

Liquidity Position

Adequate

The firm has an adequate liquidity marked by prepayments on its long-term debt obligations, a secured payment mechanism with Escrow account and debt service reserve account for three months of interest obligations. Further, the firm is expected to have adequate liquidity over the medium term with an expected debt service coverage ratio of above unity. Furthermore, liquidity is aided by timely infusion of funds from promoters, disbursement of bank loan and collection from customers.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	397.26	282.43
PAT	Rs. Cr.	73.89	38.99
PAT Margin	(%)	18.60	13.80
Total Debt/Tangible Net Worth	Times	(3.42)	(7.53)
PBDIT/Interest	Times	3578.35	3.72

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook	
04 Apr 2024	Term Loan	Long Term	275.00	ACUITE BBB-	Stable (Assigned)
	Term Loan	Long Term	90.00	ACUITE BBB-	Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indusind Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	02 Mar 2028	275.00	Simple	ACUITE BBB- Stable Reaffirmed
Indusind Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	24 Mar 2027	90.00	Simple	Not Applicable Withdrawn

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About Acuité Ratings & Research

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