



## Developer grading rationale

March 10, 2023, Kochi

### Asset Homes Private Limited

Developer grading

DA2+

Valid until March 9, 2024

#### Detailed rationale

CRISIL has reaffirmed its real estate developer grading on Asset Homes Pvt Ltd (Asset Homes) at 'DA2+'.

The grading indicates the developer has **'very good'** ability to execute real estate projects with specified quality within the stipulated time, and to transfer a clean title.

The grading reflects positives such as company's robust execution track record of more than one and a half decade in the Kerala real estate market, strong brand image and goodwill, sound marketing strategies and development plans, skilled top level management with abundant experience and improved workflow processes and systems.

These positives are partially mitigated by its limited involvement in other segments such as commercial and retail development, geographic concentration (predominantly Kerala-based projects in the past and present), aggressive growth plans (24 ongoing projects and 12 proposed projects in next 1 year), minor delays in receiving OC and competition from other established developers in the market.

A strong brand name and a good track record have aided the company in executing projects across eight cities in Kerala. Favourable locations, backed by better connectivity and ample social infrastructure, continue to strengthen their market position.

With an experience of more than two decades in the real estate sector, Mr. Sunil Kumar governs the overall operations, and the departmental heads are responsible for managing daily operations of the company. Thus, the group will continue to benefit from his extensive industry knowledge and insights. Additionally, it has implemented new plans for joint development and expanding geographically. They have also implemented third-party construction audits, a distinct quality testing unit for site visits of each ongoing project, and a mobile quality-testing van.

Asset Homes' (standalone) financial risk profile is moderate, as reflected in net sales of Rs 153.51 crore in fiscal 2022 (vs Rs 115.81 crore in fiscal 2021). It posted profit after tax (PAT) of Rs 5.16 crore (vs Rs 2.51 crore in fiscal 2021). Moderate reliance on external debt is reflected in gearing of 1.32 times (vs 1.26 times in fiscal 2021).

Asset Group's (Asset Homes Pvt Ltd and Asset India Infraprojects Pvt Ltd) (consolidated) financial risk profile is also moderate, as reflected in net sales of Rs 174.53 crore in fiscal 2022 (vs Rs 139.54 crore in fiscal 2021). It posted PAT of Rs 5.73 crore (vs Rs 3.51 crore in fiscal 2021).

The company has successfully delivered 79 projects since its inception admeasuring to 56.13 lakh square feet. Currently, it has 24 ongoing projects admeasuring to 18.38 lakh square feet and the intention to begin 12 more medium-to-large residential projects within the next 12 months, admeasuring to 11.14 lakh square feet. Additionally, the group plans to expand in geographies such as Coimbatore (Tamil Nadu), Bengaluru (Karnataka) and Cuttack (Orissa). In order to be effective over the medium term, it must be able to compete with established players, carry out projects outside of Kerala and in new markets, and consistently track project progress.

## About the developer

Incorporated in 2006 and promoted by Sunil Kumar, Asset Homes undertakes real estate development in Kerala and is a reputed developer in the state. The company has an advantage of having experienced senior management and functional heads across multiple domains, including construction, finance, legal and marketing. It has a track record of more than one and a half decade. It has presence across eight cities in Kerala (Kollam, Kochi, Thrissur, Thiruvananthapuram, Pathanamthitta, Kozhikode, Kannur and Kottayam). Asset Group has unique offerings of 17 value-add services to its customers.

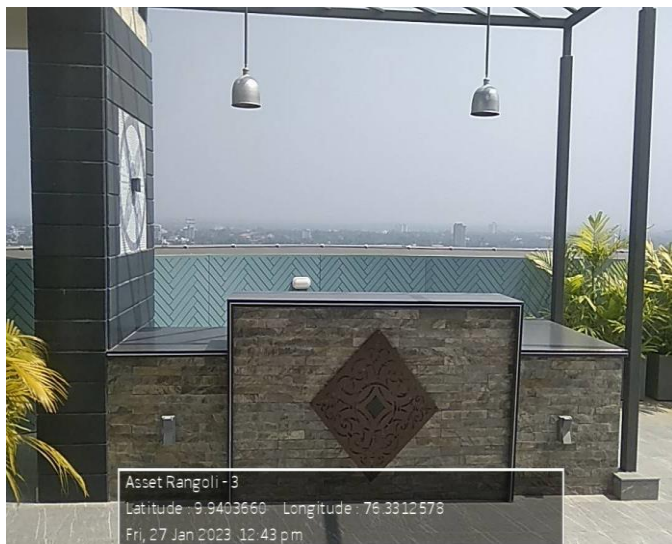
# Photographs

## Completed projects

### Asset Galleria — Thrissur



### Asset Rangoli — Ernakulam





## Ongoing projects

### Asset Luminance — Ernakulam



### Asset Platina (residential) — Thrissur



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