

## RATING RATIONALE

26 Dec 2023

### Alchemist Asset Reconstruction Company Limited

**Brickwork Ratings downgrades and withdraws the ratings of bank loan facilities of Rs. 25 Crs, withdraws the ratings of proposed bank facilities of Rs. 75 Crs and withdraws the Proposed NCDs ratings of Alchemist Asset Reconstruction Company Limited (AARCL).**

#### Particulars:

Instrument/ Facilities	Amount (Rs. Crs)		Tenor	Rating	
	Previous	Present		Previous 02 Nov 2022	Present
Fund Based : Overdraft	25.00	<b>25.00</b>	Long Term	BWR A -/ Rating Watch With Developing Implications	<b>BWR BBB+/Stable ; Downgraded and Withdrawn</b>
Fund Based : Proposed Overdraft	75.00	<b>0.00</b>	Long Term		<b>Withdrawn on non-utilization</b>
Proposed NCD #	100.00	<b>0.00</b>	Long Term	BWR A -/ Rating Watch With Developing Implications	<b>Withdrawn on non-utilization</b>
<b>Total</b>	200.00	<b>25.00</b>	<b>Rupees Twenty Five Crores Only</b>		

\* Please refer to BWR website [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the ratings

Details of Bank Loan facilities are provided in Annexure I

# Company has not raised any NCD till date.

#### RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) downgrades the ratings of long term bank loan facilities of Rs. 25 Crs of **Alchemist Asset Reconstruction Company Limited (AARCL or the 'company')** to "**BWR BBB+/Stable**" and simultaneously withdraws the ratings. BWR also withdrew the ratings of proposed Bank loan facilities of Rs. 75 Crs and Proposed Non-Convertible Debentures (NCDs) of Rs. 100 Crs of the company on **non-utilization**.

The bank loan rating downgrade takes into account the information provided by the company as well as the available information in the public domain.

#### COMPANY PROFILE

Alchemist Asset Reconstruction Company Limited (AARCL) was incorporated in 2002, licensed by RBI in 2007 and is amongst the first private sector Asset Reconstruction Companies. It is engaged in acquisition of distressed financial assets from Banks/ Financial Institutions for resolution and recovery. AARC is promoted by Mr. Alok Dhir and family. As on 31 Mar 2023, Mr. Alok Dhir holds a 27.60% stake in the company with DMI Finance Private Limited being the other key shareholder with an equity stake of 11.97%.

**KEY FINANCIAL INDICATORS (Standalone)**

Key Parameters	Units	FY21	FY22	FY23	H1 FY24
Result Type		Audited	Audited	Audited	Unaudited
Operating Income	Rs. Crs	36.64	39.68	35.38	36.64
PAT	Rs. Crs	13.57	1.88	5.44	28.65
Tangible Net Worth (TNW)	Rs. Crs	174.56	176.44	181.88	210.53
Total Debt/ TNW	Times	0.68x	0.51x	0.48x	0.27x
AUM	Rs. Crs	1994.42	2003.32	1778.63	1479.67
CRAR	%	48.29%	49.98%	59.39%	80.91%

**KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NA**

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY :** There is no non-cooperation with other CRAs.

**RATING HISTORY FOR THE PREVIOUS THREE YEARS [INCLUDING WITHDRAWAL AND SUSPENDED]**

Sr.No	Facility/ Instrument	Type (LongTerm / Short Term)	Current Rating		Rating History		
			Amount (Rs. Crs)	Rating (Dec 2023)	2022	2021	2020
1	Fund Based: Overdraft	Long Term	25.00	<b>BWR BBB+/Stable ; Downgraded and Withdrawn</b>	02 Nov 2022 BWR A -/ Rating Watch With Developing Implications (Rs. 25 Crs)	25 Mar 2021  BWR A-/Stable) (Rs. 25 Crs)	28 Feb 2020  BWR A-/Stable) (Rs. 25 Crs)
					08 Apr 2022 BWR A-/Stable) (Rs. 25 Crs)		
2	Fund Based: Proposed Overdraft	Long Term	0.00	<b>Withdrawn on non-utilization</b>	02 Nov 2022 BWR A -/ Rating Watch With Developing Implications (Rs. 75 Crs)	25 Mar 2021  BWR A-/Stable) (Rs. 75 Crs)	28 Feb 2020  BWR A-/Stable) (Rs. 75 Crs)
					08 Apr 2022 BWR A-/Stable) (Rs. 75 Crs)		

3	Proposed NCD	Long Term	0.00	<b>Withdrawn on non-utilization</b>	02 Nov 2022 BWR A -/ Rating Watch With Developing Implications (Rs. 100 Crs)	25 Mar 2021  BWR A-/Stable) (Rs. 100 Crs)	28 Feb 2020  BWR A-/Stable) (Rs. 100 Crs)
					08 Apr 2022 BWR A-/Stable) (Rs. 100 Crs)		
<b>Total</b>			<b>25.00</b>	<b>Rupees Twenty Five Crores Only</b>			

**COMPLEXITY LEVELS OF THE INSTRUMENTS:**

**Bank Loan Rating : Simple**

**NCD Rating : Simple**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Bank and Financial Institutions](#)
- [Policy on Rating Withdrawal](#)

Analytical Contacts	
<b>Soubhagya Ranjan Kahalsingh</b> Senior Rating Analyst Mobile : 8884498558 <a href="mailto:soubhagya.rs@brickworkratings.com">soubhagya.rs@brickworkratings.com</a>	<b>Vidya Shankar</b> Principal Director – Ratings Board : +91 80 40409999 <a href="mailto:vidyashankar@brickworkratings.com">vidyashankar@brickworkratings.com</a>
1-860-425-2742	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**Alchemist Asset Reconstruction Company Limited**

**ANNEXURE I**

**Details of Bank Loan Facilities :**

<b>Sl. No.</b>	<b>Name of the Bank</b>	<b>Type of Facilities</b>	<b>Long Term (Rs in Crs)</b>	<b>Short Term (Rs in Crs)</b>	<b>Total (Rs in Crs)</b>
1	Union Bank of India	Overdraft	25.00	-	25.00

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