

RATING RATIONALE

13 Jan 2023

Assets Care & Reconstruction Enterprise Limited

Brickwork Ratings downgrades the rating for the Bank Loan Facilities of Rs. 130 Crs. of Assets Care & Reconstruction Enterprise Limited (ACRE) based on best available information, as the Issuer did not Cooperate.

Particulars:

Instrument **	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (Dec, 2021)	Present
Bank Loan Rating (Fund Based)	130.00	130.00	Long Term	BWR A+/Stable (Upgraded)	BWR BBB+/Stable/ISSUER NOT COOPERATING*/Downgraded#
Total	130.00	130.00	Rupee One Hundred Thirty Crores Only/-		

*Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings

**Details of Bank loan facilities in Annexure-I

Issuer did not cooperate, based on best available information

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION Brickwork Ratings (BWR) downgrades the rating of Bank loan facilities of Rs.130 Crs. to BWR BBB+ /Stable/ISSUER NOT COOPERATING of Assets Care & Reconstruction Enterprise Limited (ACRE), as tabulated above. Despite BWR's best efforts to obtain at least the minimum required information for a rating review, the Company has not provided the same. In absence of adequate information received from the Company and continued lack of cooperation, BWR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Based on inadequate information; lack of cooperation, BWR downgrades the rating of the Bank Loan to 'BWR BBB+/ Stable/migration to Issuer Not Cooperating, based on the best available information.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. The current rating action has been taken on the basis of the limited information on the issuer's performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as it may not adequately reflect the credit risk profile of the society, despite the downgrade.



ABOUT THE COMPANY

Asset Care and Reconstruction Enterprises Ltd (ACRE) is a unlisted public limited company, based out of New Delhi. It was incorporated in June 2002 under the name Asset Care Enterprises Ltd. The company was renamed as Asset Care and Reconstruction Enterprise Ltd(ACRE) in November 2010. ACRE is a RBI registered asset reconstruction company (ARC), established under the provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act), 2002. The company was granted license by RBI in October 2003 and started its operations in July 2007. ACRE is one of the first ARC’s of India, engaged in the business of acquisition of Non-Performing Assets from Banks/FIs and their resolution as per the guidelines stipulated by Reserve Bank of India. The Company attempts to unlock the value of distressed assets acquired from the books of secured lenders viz. Banks, Financial Institutions and NBFCs.

KEY FINANCIAL INDICATORS (Latest available with BWR)

Brief Financials		March 2020 (Audited)	March 2021 (Audited)
Total Income	Rs Crs	240.15	257.63
PAT	Rs Crs	101.22	87.29
Net Worth	Rs Crs	352.08	420.79
Gearing	Times	3.72	3.01
AUM	Rs Crs	10682.62	8539.21

Note: Financials not available post FY 21.

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY : Nil

ANY OTHER INFORMATION : Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S.No	Instrument	Current Rating FY23			Rating History		
		Type	Amount (Rs Crs)	Rating	14-Dec-21	6-Nov-20	4-Nov-19
1	Fund Based	Long Term	130	BWR BBB+/Stable/ ISSUER NOT COOPERATING / Downgraded*	BWR A+/Stable (Upgraded)	BWR A/Stable	BWR A/Stable
Total			130	Rupee One Hundred Thirty Crores Only/-			

*Issuer did not cooperate, based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS: 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](#)**
- **[Banks and Financial Institutions](#)**
- **[Security Receipts](#)**

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Assets Care & Reconstruction Enterprise Limited
ANNEXURE I
Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total (Rs. Crs.)
1	Punjab National Bank	Overdraft	75.00	0.00	75.00
2	Federal Bank	Overdraft	7.48	0.00	7.48
3	Federal Bank	Cash Credit	15.00	0.00	15.00
	Proposed Bank Loans		32.52	0.00	32.52
Total Rupees One Hundred and Thirty Crs. only					130.00

ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS: NA

ANNEXURE III List of entities consolidated: NA



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