



RATING RATIONALE

12 July 2024

Assets Care and Reconstruction Enterprise Limited

Brickwork Ratings reaffirms the long-term ratings at BWR BB+/Stable, continues to be in the ISSUER NOT COOPERATING* category, and simultaneously withdraws the long-term ratings for the bank loan facilities amounting to Rs. 130 crores of Asset Care and Reconstruction Enterprises Limited;

Particulars:

Facilities**	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (13 July 2023)	Present
Bank Loan (Fund Based)	130.00	130.00	Long Term	BWR BB+/Stable/ Continues to be ISSUER NOT COOPERATING*/ Downgraded	BWR BB+/Stable/ Continues to be in ISSUER NOT COOPERATING* /Reaffirmed & Withdrawn
Total	130.00	130.00	Rupees One Hundred and Thirty Crores Only		

*Issuer did not cooperate; based on best available information.

**Details of bank-wise facilities provided in Annexure I

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

RATING ACTION

Brickwork Ratings (BWR) reaffirms the long-term rating at BWR BB+/Stable, continues to be in the ISSUER NOT COOPERATING* category, and simultaneously withdraws the long-term ratings amounting to Rs. 130 crores of "Assets Care and Reconstruction Enterprise Limited" as tabulated above, based on the best available information.

BWR has been consistently following up with the company through emails and telephonic calls to provide the requisite information for the review of ratings. Despite the best efforts of BWR to get at least the minimum required information for a review, the company continues to be non-cooperative. BWR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Despite the best efforts of BWR to get at least the minimum required information for a review of ratings, the banker feedback on the account has not yet been received. BWR hence continues the rating to be in the ISSUER NOT COOPERATING* category, based on the best available information. BWR however notes the liquidity profile shared by the company as of March 2024 and the submission of NDS of June 2024 confirming no delays / overdues in timely servicing its debt obligations. BWR also notes of receipt of necessary documents for the Withdrawal of the Rating, in compliance with BWR Rating Withdrawal Policy. Thereby, BWR reaffirms the long-term ratings at BWR BB+/ Stable



and simultaneously withdraws the long-term rating, at the request of the company and no objection certificates of the lenders

BWR is in receipt of No Objection Certificates (NOC) from the lenders of the rated bank loan facilities viz. Punjab National Bank and Federal Bank. The company has also provided undertaking for the proposed bank loan facilities, confirming its non-utilization of BWR rating for raising any funds and no amount is outstanding against the rated facility.

In accordance with extant regulatory guidelines and as per the BWR Rating Withdrawal Policy, the rating of the said instrument is now being reaffirmed at "BWR BB+/Stable", continues to be in ISSUER NOT COOPERATING*" category and simultaneously withdrawn for the long term bank loan facilities of Rs. 130 Crores of Asset Care and Enterprises Ltd.

LIMITATION 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 the 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/noncooperation. 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. The client has not submitted audited financials post FY 21 and onwards.

The lenders/investors may note to exercise due caution while using the above rating which mentions "ISSUER NOT COOPERATING" since the rating lacks any projections or forward-looking component as it is arrived at based on the best available information without any management/banker's interaction.

COMPANY PROFILE (As available with BWR)

Asset Care and Reconstruction Enterprises Ltd (ACRE) is an 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 a license by RBI in October 2003 and started its operations in July 2007. ACRE is one of the first ARCs of India, engaged in the business of acquisition of Non-Performing Assets from Banks/FIs and their resolution as per the guidelines stipulated by the 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 COVENANTS OF THE INSTRUMENT/FACILITY RATED: NA

KEY FINANCIAL INDICATORS (As available with BWR)

Please refer to the following link for the previous detailed rationale that captures the Key financial Driver.

[View Previous Document](#)

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Nil

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

Sl. no.	Facility	Current Rating 2024			Rating History		
		Type	Amt in Rs.Crs	Rating	2023	14 Dec 2021	6 Nov 2020
1	Bank Loan (Fund Based)	Long Term	130.00	BWR BB+/Stable/ Continues to be in ISSUER NOT COOPERATING* G* /Reaffirmation and Withdrawn	<p>13 Jul 2023 BWR BB+/Stable/ Continues to be ISSUER NOT COOPERATING*/ Downgraded</p> <p>13 Jan 2023 BWR BBB+/Stable/ ISSUER NOT COOPERATING*/ Downgraded#</p>	BWR A+/Stable (Upgraded)	BWR A/Stable
Total			130.00	Rupees One Hundred Thirty Crores Only/			

COMPLEXITY LEVELS OF THE INSTRUMENTS - SIMPLE

For more information, visit

www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Banks & Financial Institutions](#)
- [Capital Instruments Issued by Banks & Financial Institutions](#)
- [What Constitutes Non-Cooperation](#)
- [BWR Withdrawal Policy](#)

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Assets Care and Reconstruction Enterprise Limited (ACRE)

ANNEXURE-I

Details of Bank Loan Facilities rated by BWR:

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total (Rs. Crs.)	Complexity of the Instrument**
1	Punjab National Bank	Overdraft	75.00	0.00	75.00	Simple
2	Federal Bank	Overdraft	7.48	0.00	7.48	
3	Federal Bank	Cash Credit	15.00	0.00	15.00	
4	Proposed Bank loans		32.52	0.00	32.52	
Rupees One Hundred Thirty Crores Only					130.00	

***For more information, visit

<https://www.brickworkratings.com/download/ComplexityLevels.pdf>

ANNEXURE II

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

ANNEXURE III

List of entities consolidated: NA



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