



## Press Release

Asrec India Limited

August 05, 2024

### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	100.00	ACUITE BB   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	100.00	-	-

### Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs. 100.00 Cr. bank facilities of Asrec India Limited on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

### About the Company

Mumbai based, Asrec India Limited was incorporated in 2003. It is engaged in acquiring distressed assets from banks and financial institutions and resolving them through appropriate resolution strategies. The company is sponsored by prominent public sector banks and institutions. The Board comprised of eight members led by Mr. Girish Sharan Sinha, Managing Director and CEO of the company, the other members include the nominees from sponsor banks. The top management is supported by functional professionals expertised in areas pertaining to credit, recovery, and law.

### Unsupported Rating

Not Applicable

### Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

**Limitation regarding information availability:**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

## Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

## Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

## Outlook

Not Applicable

## Other Factors affecting Rating

None

## Key Financials :

Particulars	Unit	FY22 (Actual)	FY21 (Actual)
Total Assets	Rs. Cr.	258.48	293.52
Total Income*	Rs. Cr.	53.52	43.06
PAT	Rs. Cr.	20.37	11.99
Net Worth	Rs. Cr.	186.95	165.7
Return on Average Assets (RoAA)	(%)	7.38	4.83
Return on Average Net Worth (RoNW)	(%)	11.55	7.49
Debt/Equity	Times	0.17	0.45

## Status of non-cooperation with previous CRA

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>
- Asset Reconstruction Companies: <https://www.acuite.in/view-rating-criteria-85.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. Acuite' 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 May 2023	Proposed Cash Credit	Long Term	52.74	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+)
	External Commercial Borrowing	Long Term	37.26	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+)
	Secured Overdraft	Long Term	10.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+)
14 Nov 2022	Proposed Cash Credit	Long Term	52.74	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A-   Stable)
	External Commercial Borrowing	Long Term	37.26	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A-   Stable)
	Secured Overdraft	Long Term	10.00	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A-   Stable)
16 Aug 2021	Term Loan	Long Term	37.26	ACUITE A-   Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE A-   Stable (Assigned)
	Proposed Cash Credit	Long Term	52.74	ACUITE A-   Stable (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of Mauritius Ltd	Not avl. / Not appl.	External Commercial Borrowing	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	37.26	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	52.74	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
State Bank of Mauritius Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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