Asset Reconstruction Company (India) Limited

October 18, 2023

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Non-convertible debentures	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale, Key rating drivers and Detailed description of the key rating drivers

CARE Ratings Limited (CARE Ratings) has withdrawn the outstanding ratings of 'CARE A+/Stable' (pronounced as Single A Plus; Outlook: Stable) assigned to the long-term instrument of Asset Reconstruction Company (India) Limited (ARCIL) with immediate effect. The above action has been taken at the request of ARCIL and the facilities rated by CARE Ratings were not yet issued.

Analytical approach: Not Applicable

Outlook: Not Applicable

Applicable criteria

Policy on Withdrawal of Ratings

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Financial Institution

ARCIL, incorporated in 2002, is one of oldest asset reconstruction companies (ARCs) in the country in the business of resolving and recovery of non-performing and distressed loans. ARCIL, mainly sponsored by Avenue India, a subsidiary of Avenue Capital, is a US$12.3 billion US-based debt investment company as on October 31, 2022. Avenue India Resurgence Pte. Ltd. (Avenue) has acquired more stake in the company in FY23 from previous shareholders, i.e., IDBI Bank Limited, ICICI Bank Limited and ICICI Home Finance Company Limited, and currently holds 69.73% by the end of financial year 2023. The other shareholders of ARCIL mainly include State Bank of India (19.95%) (rated 'CARE AAA; Stable / CARE A1+'), and Lathe Investment Pte Ltd.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)
Total income	173	304	456
PAT	(87)	143	239
ROTA (%)	-3.7%	6.1%	9.7%
Gearing ratio (x)	0.2	0.1	0.1

A: Audited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: None

Any other information: Not applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non-convertible debentures (Proposed)	-	-	-	-	0.00	Withdrawn

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Debentures-Non-convertible debentures	LT*	-	-	-	1)CARE A+; Stable (06-Jan-23)	1)CARE A+; Stable (20-Jan-22)	-

*Long term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-convertible debentures	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 91 44 2850 1001 E-mail: pradeep.kumar@careedge.in	Vineet Jain Senior Director **CARE Ratings Limited** Phone: : +91-22-6754 3623 E-mail: vineet.jain@careedge.in Shweta Sumeet Agrawal Associate Director **CARE Ratings Limited** Phone: +91-22-6754 3422 E-mail: Shweta.Agrawal@careedge.in Jitendra Meghrajani Assistant Director **CARE Ratings Limited** Phone: +91-22-6754 3526 E-mail: jitendra.meghrajani@careedge.in Ashutosh Duda Lead Analyst **CARE Ratings Limited** E-mail: Ashutosh.Duda@careedge.in

About us:
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

For the detailed Rationale Report and subscription information,
please visit www.careedge.in