

## Press Release

### Altico Capital India Limited

September 13, 2019

#### Rating

Instrument / Facility	Amount (Rs. crore)	Rating	Rating Action
Non-Convertible Debentures (Proposed)	1,250.00	IVR D (IVR D)	Revised from IVR AA / Stable Outlook (IVR Double A with Stable Outlook)
<b>Total</b>	<b>1,250.00</b>		

Details of Facility are in Annexure 1

#### Detailed Rationale

The revision of the rating of the proposed Non-Convertible Debentures (which have not been subscribed till now) takes in to consideration the default in servicing of interest due on the External Commercial Borrowings (ECBs) due to stretched liquidity, as per the company's filing dated September 12, 2019, with the stock exchange.

#### Detailed Description of Key Rating Drivers

##### Default in the servicing of debt obligation

Altico Capital India Limited (ACIL) has defaulted on the interest servicing of its External Commercial Borrowings (ECBs) that became due on September 12, 2019, as per its filing with the stock exchange. In the aforesaid filing, the company management has indicated that the default might trigger an acceleration on its other debt obligations and may lead to more defaults in the future.

##### Change in the senior management

It has come to light from news reports that the Chairperson of the Board of Directors of ACIL, Ms. Naina Lal Kidwai (Independent Director) has stepped down from her post.

#### Analytical Approach & Applicable Criteria

Standalone Approach

Rating Methodology for Financial Institutions/NBFCs

Financial Ratios & Interpretation (Financial Sector)

Criteria on Default Recognition and Post-Default Curing Period

## Infomerics Valuation and Rating Pvt. Ltd.



### **Liquidity**

The liquidity position of ACIL appears to be stretched as the company has defaulted on the interest servicing of its ECBs. As indicated by the company, the default is likely to trigger accelerated repayment of its other obligations, which is expected to put increased stress on its already stretched liquidity position.

### **About the Company**

Incorporated as the erstwhile Clearwater Capital Partners India Private Limited in January 2004, Altico Capital India Ltd (ACIL) is a Non Deposit Taking – Systemically Important NBFC registered with the Reserve Bank of India. ACIL's primary business involves financing loans in real estate sector and allied sectors. It focuses on senior secured lending to mid-income residential projects and the commercial real estate sector, across Tier-1 cities in India, which include Mumbai, NCR, Chennai, Bengaluru, Pune and Hyderabad.

### **Financials (Standalone)**

For the year ended / Rs. Crs	(Rs. Crore)	
	31-03-2018	31-03-2019
	<b>Audited</b>	<b>Audited</b>
Total Income	875.1	1,234.7
Interest Expense	313.1	547.2
PAT	264.6	146.7
Tangible Net Worth	2,514.5	3,029.7
Total Loan Assets	6,206.8	6,905.7
<b>Ratios</b>		
a. PAT Margin	30.2	11.9
b. Overall Gearing ratio	1.7	1.8

Note: Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Nil

## Infomerics Valuation and Rating Pvt. Ltd.



### Rating History for last three years:

S. No.	Name of Instrument/Facilities	Current Rating (Year 2019-20)				Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17
1.	Non-Convertible Debentures (Proposed)	Long Term	1,250.00	IVR D	IVR AA / Stable Outlook (June 21, 2019)	--	--	--

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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**Annexure 1: Details of Facility**

<b>Name of Facility</b>	<b>Date of Issuance</b>	<b>Coupon Rate/ IRR</b>	<b>Maturity Date</b>	<b>Size of Facility (Rs. Crore)</b>	<b>Rating Assigned/ Outlook</b>
Non-Convertible Debentures (Proposed)	-	-	-	1,250.00	IVR D