

## ICRA Lanka withdraws rating on the Subordinated Debentures of Arpico Finance Company PLC

January 02, 2019

Instrument*	Rated Amount	Rating Action
Unsecured subordinated redeemable debenture programme	LKR 355.98 Mn	[SL]B+ (Negative); withdrawn
Issuer Rating	NA	[SL]BB- (Negative); Outstanding

### Rating action

ICRA Lanka Limited, subsidiary of ICRA Limited, a group company of Moody's Investors Service, has withdrawn the issue rating of [SL]B+ (pronounced SL B plus) with negative outlook on the LKR 355.98 Mn unsecured subordinated redeemable debentures of Arpico Finance Company PLC, at the request of the company, as the same has been fully redeemed and there are no amounts outstanding against the rated instrument.

ICRA Lanka has a [SL]BB- (negative) issuer rating outstanding on the company. Please refer to the detailed rationale dated May 15, 2018.

### Company Profile

Arpico Finance Company PLC (AFCP), established in 1951, is one of the older finance companies in Sri Lanka. The company is listed on the Main Board of the Colombo Stock Exchange. The controlling interest of AFCP was acquired by Alliance Finance Group in 1967 from the original shareholders. With the consolidation drive initiated by the Central bank, Alliance Finance Group divested its controlling interest to Associated Motor Finance PLC. The company's major shareholder presently is Associated Motor Finance Company PLC with a stake of 94%. AFCP's primary customer segments are Retail and Small and Medium Enterprises (SME) sectors. The company's key areas of operations are Deposits, Leasing & Hire Purchase, Loans and Islamic Finance.

During FY2018, AFCP reported a PAT of LKR 354 Mn on a total asset base of LKR 18,401 Mn as compared to a PAT of LKR 227 Mn on a total asset base of LKR 11,112 Mn in the previous financial year. For H1FY2019, AFCP reported a PAT of LKR 233 Mn on a total asset base of LKR 19,361 Mn.

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