

Press Release

Vanchinad Finance Private Limited

March 12, 2020

Rating Update



Total Bank Facilities Rated	Rs. 35.00 Cr. #
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

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. 35.00 crore bank facilities of Vanchinad Finance Private Limited (VFPL).

The rating downgrade is on account of information risk and indicative based on best available information.

VFPL is a non-deposit taking NBFC incorporated in 1987. VFPL is a wholly owned subsidiary of SML Finance Limited and was acquired by SML Finance Limited in May 2016 with the aim to expand the latter's microfinance business. VFPL offers microfinance loans under the Self-help group (SHG) model. The registered office is in Thrissur (Kerala). Spread across 10 districts across Kerala and Tamil Nadu, the company has a network of 32 branches with assets under management (AUM) of Rs 83.44 crores as on September 30, 2018.

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 due date.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Non- Banking Financing Entities - <https://www.acuite.in/view-rating-criteria-10.htm>

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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
19-Feb-2019	Cash Credit	Long Term	19.50	ACUITE BB+/Stable (Assigned)
	Term Loan	Long Term	10.00	ACUITE BB+/Stable (Assigned)
	Proposed Facility	Long Term	5.50	ACUITE BB+/Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	19.50	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Proposed Facility	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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