



**Press Release**  
**VANCHINAD FINANCE PRIVATE LIMITED**  
**February 17, 2025**  
**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	35.00	ACUITE B   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	35.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

**Rating Rationale**

Acuite has downgraded the long-term rating to ‘ACUITE B’ (read as ACUITE Bf) from ‘ACUITE B+’ (read as ACUITE B plus) on the Rs.35.00 crore bank facilities of Vanchinad Finance Private 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**

Vanchinad Finance Private Limited (VFPL), incorporated in 1987 is a non-deposit taking NBFC having its registered office at Thrissur, Kerala. 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. 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. It is led by Mr. Jijo Kuriyappan, Chief General Manager, who has around 17 years of overall experience; of which more than 11 years are in Micro-finance business. The Current Directors of Vanchinad Finance Private Limited are Mr Kadapuram Mathewsmathai, Mr Kocheril Ittoop Varghese, Ms Susanna Isaac, Mr Griger Cherry Williams and Mr Abin M Behanan. The Managing Director of the group company- SML Finance Ltd, Mr. William Varghese has more than 2 decades of experience in financial services.

**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

Acuité's policies.

**Limitation regarding information availability**

This 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. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. 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	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	52.70	39.11
PAT	Rs. Cr.	6.10	4.13
PAT Margin	(%)	11.57	10.56
Total Debt/Tangible Net Worth	Times	3.74	4.04
PBDIT/Interest	Times	1.52	1.41

## Status of non-cooperation with previous CRA

Not Applicable

## Any other information

None

## Applicable Criteria

- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>
- 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>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite 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
21 Nov 2023	Cash Credit	Long Term	19.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	10.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	5.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
01 Sep 2022	Cash Credit	Long Term	19.50	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	10.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Proposed Long Term Bank Facility	Long Term	5.50	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)

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

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	19.50	Simple	ACUITE B   Downgraded   Issuer not co-operating* ( from ACUITE B+ )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.50	Simple	ACUITE B   Downgraded   Issuer not co-operating* ( from ACUITE B+ )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE B   Downgraded   Issuer not co-operating* ( from ACUITE B+ )

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

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Sahil Sawant Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### 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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