Press Release
VM and Co
January 23, 2024
Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE B | Reaffirmed | Issuer not co-operating*	-
Bank Loan Ratings	35.00	-	ACUITE A4 | Reaffirmed | Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	45.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of **'ACUITE B' (read as ACUITE single B)** and short term rating of **'ACUITE A4' (read as ACUITE A four)** on the Rs.45.00 crore bank facilities of VM and Co (VMC). The rating continues to be flagged as "Issuer Not-Cooperating" on account of information risk.

About the Company

Tamil Nadu based V M and Co. (VMC) was established as a proprietorship concern in 1986 by Mr. Veluchamy, later in 2011 it was converted into partnership firm. Presently, the firm is managed by Mr. V. Manoharan, managing partner. The firm is engaged in construction of Roadways for central and state government entities, National Highway Authority of India (NHAI) and Tamil Nadu Public Works Department.

Unsupported Rating
None

Non-cooperation by the issuer/borrower:

Acuité 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.
Acuité 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:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. 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 19 (Actual)	FY 18 (Actual)
Operating Income	Rs. Cr.	104.65	48.10
PAT	Rs. Cr.	3.10	1.55
PAT Margin	(%)	2.96	3.21
Total Debt/Tangible Net Worth	Times	0.80	1.63
PBDIT/Interest	Times	6.28	3.93

Status of non-cooperation with previous CRA

None

Any other information

Not Applicable

Applicable Criteria

- Infrastructure Sector: https://www.acuite.in/view-rating-criteria-51.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, Acuité 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Oct 2022	Proposed Secured Overdraft	Long Term	10.00	ACUITE B (Issuer not co-operating*)
	Proposed Bank Guarantee	Long Term	35.00	ACUITE A4 (Issuer not co-operating*)
30 Jul 2021	Proposed Bank Guarantee	Short Term	35.00	ACUITE A4 (Issuer not co-operating*)
	Proposed Secured Overdraft	Long Term	10.00	ACUITE B (Issuer not co-operating*)
26 May 2020	Proposed Bank Guarantee	Short Term	35.00	ACUITE A4 (Assigned)
	Proposed Secured Overdraft	Long Term	10.00	ACUITE B | Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	35.00	ACUITE A4 | Reaffirmed | Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE B | Reaffirmed | Issuer not co-operating*

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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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