



Press Release

Veeraraghavan & Co. (Veeraraghavan)

March 14, 2024

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	5.50	IVR B+; Negative ISSUER NOT COOPERATING* (IVR Single B Plus; Negative ISSUER NOT COOPERATING*)	Downgraded and continued under ISSUER NOT COOPERATING* category	Simple
Total	5.50 (Rupees Five Crore and Fifty Lakhs Only)			

**Issuer did not cooperate; based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of Veeraraghavan & Co. (Veeraraghavan) reflects lack of adequate information available, non-payment of annual surveillance fee and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated February 20, 2024; February 27, 2024, February 29, 2024, concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details/information for surveillance exercise.



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Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the ratings based on the best available information. Accordingly, the long-term ratings for the bank facilities of Veeraraghavan & Co. (Veeraraghavan) aggregating to Rs. 5.50 crore has been continue to remain under 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by Clients](#)

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of assigning rating outlook](#)

[Default Recognition Policy](#)

About the Firm

Veeraraghavan & Co, a proprietorship firm, was incorporated in 1952. It is a Coimbatore based construction firm, promoted by Shri. P N Veeraraghavan Iyer. Over the years, Veeraraghavan & Co. has developed various multi-utility structures such as colonies, individual houses, apartments, schools, colleges, public utility buildings etc., over the years. Currently, firm is developing a real estate project, 'Pavithram' – a senior living facility of 100 villas, located on Kerala Main Road at Coimbatore.

Financials (Standalone):

For the year ended / As On*	(Rs. crore)		
	31-03-2019 (Audited)	31-03-2020 (Audited)	31-03-2021 (Audited)
Total Operating Income	4.55	1.39	3.72
EBITDA	0.88	0.41	0.77
PAT	0.80	0.18	0.50
Total Debt	0.79	1.93	4.22
Tangible Net worth	2.47	5.05	4.84
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For the year ended / As On*	31-03-2019 (Audited)	31-03-2020 (Audited)	31-03-2021 (Audited)
EBITDA Margin (%)	19.43	29.40	20.76
PAT Margin (%)	17.66	13.20	13.52
Overall Gearing Ratio (x)	0.32	0.38	0.87

*Classification as per Infomerics' standards

A. Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (January 31, 2023)	Date(s) & Rating(s) assigned in 2021-22 (November 1, 2021)	Date(s) & Rating(s) assigned in 2020-21
1.	Long Term Bank Facilities	Long Term	5.50	IVR B+; Negative ISSUER NOT COOPERATING*	IVR BB-; Negative ISSUER NOT COOPERATING *	IVR BB/ Stable (Assigned)	-

*Issuer did not cooperate; based on best available information

Name and Contact Details of the Rating Analyst:

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).



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Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Facilities	-	-	-	5.50	IVR B+; Negative ISSUER NOT COOPERATING*

**Issuer did not cooperate; based on best available information*

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

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.