



Press Release

Valmar Projects LLP

January 7, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	43.00	IVR BB+/- Negative ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook Issuer Not Cooperating)	IVR BBB-/ Stable (IVR Triple B Minus with Stable outlook)	Rating downgraded and moved to Issuer Not Cooperating category and Outlook revised	Simple
Total	43.00 (INR forty three crore only)				

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

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The long-term rating assigned to the bank facilities of Valmar Projects LLP (VPL) considers the common management team and operational & financial linkages between VPL and Sree Vidyanikethan Educational Trust (SVET). Infomerics has taken a combined view of these entities referred together as SVET Group.

Infomerics has downgraded the long-term rating and moved the rating assigned to the bank facilities of VPL in the ISSUER NOT COOPERATING category because of lack of adequate information for rating review from the company and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per its policy. The long-term rating outlook has been revised from 'Stable' to 'Negative' due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer



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Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated 2nd December 2024, 11th December 2024, 1st January 2025, 2nd January 2025, 3rd January 2025 and 6th January 2025 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the ratings based on the best available information. Accordingly, the long-term rating assigned to the bank loan facilities aggregating to INR 43.00 crore of VPL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating be noted as 'IVR BB+/ Negative ISSUER NOT COOPERATING' based on best available information (IVR Double B Plus with Negative Outlook Issuer not cooperating) based on best available information.

Analytical Approach: Combined

For arriving at the ratings, Infomerics has combined the business and financial risk profiles of Sree Vidyanikethan Educational Trust and Valmar Projects LLP. This is because these companies, collectively referred to as SVET group, are under control of same promoters and have business and financial linkages.

List of companies considered for combined analysis is given at Annexure 4.

Applicable Criteria:

[Consolidation of companies](#)

[Policy on Default Recognition](#)

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Service Sector Companies](#)

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

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

[Complexity Level of Rated Instruments/Facilities](#)



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About the entity

Valmar Projects formed in June 2021, is partnership firm in which one of the partners is Mr. Vishnu Manchu, son of Dr. M. Mohan Babu, the founder of SVET and the other partner is Mr. Pothugunta Gajendra. The firm was established to separate the hostel business which was housed under SVET. The hostel activities were separated from education activities for long term strategic reasons so as to efficiently manage both the business which are expected to grow substantially. The venture aims to provide hospitality services for educational institutes. Its services spans from Accommodation, Dining, Procurement and transport management of all educational institutes. At the end of FY22 (FY22 was the first year of operation of Valmar after hive off from SVET in June 2021), there were 13 hostels with total bed capacity of 3639. At the end of FY23 the number of beds increased to 4493 and there were 27 hostels. All the hostels are on lease.

Financials (Standalone):

(Rs. crore)

For the year ended / As on	31.03.2022	31.03.2023
	Audited	Audited
Total Operating Income	15.23	57.81
EBITDA	0.91	2.86
PAT	0.49	1.61
Total Debt	0.00	21.76
Tangible Net Worth	0.26	0.35
EBITDA Margin (%)	5.98	4.95
PAT Margin (%)	3.25	2.75
Overall Gearing Ratio (x)	0.00	61.51
Interest Coverage Ratio	288.84	15.51

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



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Sr. No	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned 2023-24 (November 2, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Term Loan	Long Term	38.00	IVR BB+/ Negative ISSUER NOT COOPERTAING*	IVR BBB-/ Stable	-	
2.	OD	Long Term	5.00	IVR BB+/ Negative ISSUER NOT COOPERTAING*	IVR BBB-/ Stable		

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

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.



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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 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: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	February 2030	38.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
OD	-	-	-	-	5.00	IVR BB+/ Negative ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the company	Consolidation Approach
Sree Vidyanikethan Educational Trust	Full combined
Valmar Projects LLP	Full combined

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.