



Press Release

Velicham Finance Private Limited

November 23, 2023

Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	6.55	IVR BB-/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	Revised & continued at ISSUER NOT COOPERATING Category	Simple
Long Term/Short Term Bank Facilities (Proposed)	18.45	IVR BB-/ Negative, ISSUER NOT COOPERATING*/IVR A4 ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING* and IVR A Four ; ISSUER NOT COOPERATING*)	Revised & continued at ISSUER NOT COOPERATING Category	Simple
Total		25.00 (Rupees Twenty Five crore only)		

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

Details of Facilities are in Annexure 1

Detailed Rationale:

The rating revision is because of lack of adequate information regarding Velicham Finance Private Limited reflects lack of adequate information available about the performance of the company 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 the rating may not adequately reflect the credit risk profile of the entity, despite the rating revision.



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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 16th Oct 2023, 26th Oct 2023, 30th Oct 2023, and 08th Nov 2023 and telephonic follow ups. However, despite repeated requests by Infomerics, the company's management has not submitted NDS since September 2022 and other essential details/information.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has continued the ratings assigned to the bank loan facilities of Velicham Finance Private Limited aggregating to INR 25.00 crore at the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB-/ Negative, ISSUER NOT COOPERATING/IVR A4 ISSUER NOT COOPERATING for the long-term/Short - term bank facilities. based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for NBFCs](#)

[Criteria of assigning rating outlook](#)

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

About the Company:

Velicham Finance Private Limited (VFPL) incorporated in 1991 and has its genesis with Bharathi Women Development Centre (BWDC), which was established in December 1987 as a Society by Nagarajan Muthukrishnan, who is the Managing Director of VFPL. VFPL caters only to the women whose households have dual-earning members & multiple sources of income. It has 15 branches in Tamil Nadu and 1 branch in Puducherry.



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Financials: Standalone

Rs in Crore

For the Year ended as on	31-03-2020 (Aud.)	31-03-2021 (Aud.)
Total Operating Income	2.68	3.84
Interest	0.44	1.07
PAT	0.32	0.73
Total Debt	5.06	10.06
Tangible Net-worth	4.89	7.04
Total loan assets	9.76	16.76
Ratios		
PAT Margin (%)	19.47	18.99
Overall Gearing Ratio (x)	1.05	1.43
GNPA (%)	0.00%	0.00%
NNPA (%)	0.00%	0.00%
CAR (%)	66.56%	78.72%

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (07/Nov/2022)	Date(s) & Rating(s) assigned in 2021-22 (14/Aug/2021)	Date(s) & Rating(s) assigned in 2019-20
1.	Long Term Bank Facilities	Long Term	6.55	IVR BB-/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Minus with Negative Outlook; ISSUER NOT	IVR BB; ISSUER NOT COOPERATING	IVR BB+/Stable	--



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				COOPERATING*)			
2.	Long Term/Short Term Bank Facilities (Proposed)	Long Term/Short Term	18.45	IVR BB-/Negative, ISSUER NOT COOPERATING*/IVR A4 ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING* and IVR A Four ; ISSUER NOT COOPERATING*)	IVR BB/IVR A4; ISSUER NOT COOPERATING	IVR BB+/Stable / IVR A4+	

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

Name and Contact Details of the Rating Analyst:

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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



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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 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 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: Not Applicable

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

Annexure 3: Facility wise lender details: Not Applicable

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