



Press Release

Velicham Finance Private Limited (VFPL)

January 22, 2025

Ratings

Instrument/ Facility	Amount (Rs. crore)	Current Ratings	Previous 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*)	IVR BB-/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Minus with Negative Outlook. ISSUER NOT COOPERATING*)	Reaffirmed and continued under 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*)	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*)	Reaffirmed and continued under ISSUER NOT COOPERATING* Category	Simple
Total	Rs. 25.00 Rupees Twenty-Five 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.



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Detailed Rationale

Infomerics has reaffirmed the ratings and continued to classify the bank facilities of Velicham Finance Private Limited (VFPL) under “Issuer Not Co-Operating” category reflecting 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 reaffirmed.

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 December 16, 2024, December 20, 2024, January 03, 2025 and January 17, 2025, over several phone calls. However, despite repeated requests by Infomerics, the company’s management has not submitted the requested information for monitoring the 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 review the ratings based on the best available information.

Accordingly, the long-term rating and short-term rating of the bank loan facilities aggregating to Rs. 25.00 crore of Velicham Finance Private Limited (VFPL) shall be continued under ‘ISSUER NOT COOPERATING’ category by Infomerics and the ratings will be at ‘IVR BB-Negative and IVR A4; ISSUER NOT COOPERATING’; based on best available information. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach: Standalone



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Applicable Criteria

[Rating Methodology for Financial Institutions/NBFCs](#)

[Criteria for assigning Rating outlook.](#)

[Policy on issuer not cooperating.](#)

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

[Policy on Default Recognition and Post-Default Curing Period](#)

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

About the Company

Velicham Finance Private Limited (VFPL), based in Chennai, is a Non-Banking Financial Company (NBFC) specializing in providing MSME borrowers, Agriculture & Allied Enterprises Loan and Green Loans. Founded in 2016, Velicham's mission is to improve lives by offering sustainable financial solutions designed to meet the needs of entrepreneurs, artisans, traders, agriculturists, and families seeking a fresh start. With a focus on driving economic growth, Velicham concentrates on small and medium-sized lending projects that help businesses achieve significant growth. Operating across Tamil Nadu, Kerala, and Pondicherry, the company offers dependable funding options that empower professionals from diverse sectors to improve their socio-economic outcomes.

Financials (Standalone):

	(Rs. crore)	
For the year ended* / As on	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	15.97	31.88
PAT	2.47	6.20
Tangible Net worth	13.80	24.09
Total Loan Assets (including off book)	119.19	191.31
Ratios		
NIM (%)	19.17	20.59
ROTA (%)	4.94	6.67
Interest Coverage (times)	1.65	1.78
Total CAR (%)	24.29	28.56
Gross NPA [Stage III] (%)	0.11	0.23
Net NPA [Stage III] (%)	0.05	0.13

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Not Applicable



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Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Long-Term Bank Facilities	Long Term	6.55	IVR BB-/ Negative, ISSUER NOT COOPERATING*	(November 23, 2023) IVR BB-/ Negative, ISSUER NOT COOPERATING*	(November 07, 2022) IVR BB; ISSUER NOT COOPERATING*	(August 14, 2021) IVR BB+/Stable
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*	(November 23, 2023) IVR BB-/ Negative, ISSUER NOT COOPERATING*/IVR A4 ISSUER NOT COOPERATING*	(November 07, 2022) IVR BB; ISSUER NOT COOPERATING*/IVR A4; ISSUER NOT COOPERATING*	(August 14, 2021) IVR BB+/Stable / IVR A4+

**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.

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.



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Annexure 1: Instrument/Facility Details

Sr. No.	Name of Facility	ISIN No.	Date of Issuance	Coupon Rate/IRR	Maturity date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
1.	Long Term Bank Facilities Term loan	-	-	-	June 2022	0.73	IVR BB-/ Negative, ISSUER NOT COOPERATING*
2.	Long Term Bank Facilities Term loan	-	-	-	June 2023	1.00	IVR BB-/ Negative, ISSUER NOT COOPERATING*
3.	Long Term Bank Facilities Term loan	-	-	-	November 2022	0.78	IVR BB-/ Negative, ISSUER NOT COOPERATING*
4.	Long Term Bank Facilities Term loan	-	-	-	February 2022	0.41	IVR BB-/ Negative, ISSUER NOT COOPERATING*
5.	Long Term Bank Facilities Term loan	-	-	-	February 2024	1.33	IVR BB-/ Negative, ISSUER NOT COOPERATING*
6.	Long Term Bank Facilities Term loan	-	-	-	November 2024	1.43	IVR BB-/ Negative, ISSUER NOT COOPERATING*
7.	Long Term Bank Facilities Term loan	-	-	-	December 2023	0.87	IVR BB-/ Negative, ISSUER NOT COOPERATING*
8.	Long Term/Short Term Bank Facilities (Proposed)	-	-	-	-	1.43	IVR BB-/ Negative, ISSUER NOT COOPERATING*/ IVR A4



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Sr. No.	Name of Facility	ISIN No.	Date of Issuance	Coupon Rate/IRR	Maturity date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
							ISSUER NOT COOPERATING*
9.	Long Term/Short Term Bank Facilities (Proposed)	-	-	-	-	3.00	IVR BB-/ Negative, ISSUER NOT COOPERATING*/ IVR A4 ISSUER NOT COOPERATING*
10.	Long Term/Short Term Bank Facilities (Proposed)	-	-	-	-	1.00	IVR BB-/ Negative, ISSUER NOT COOPERATING*/ IVR A4 ISSUER NOT COOPERATING*
11.	Long Term/Short Term Bank Facilities (Proposed)	-	-	-	-	2.00	IVR BB-/ Negative, ISSUER NOT COOPERATING*/ IVR A4 ISSUER NOT COOPERATING*
12.	Long Term/Short Term Bank	-	-	-	-	2.00	IVR BB-/ Negative, ISSUER NOT COOPER



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Sr. No.	Name of Facility	ISIN No.	Date of Issuance	Coupon Rate/IRR	Maturity date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
	Facilities (Proposed)						ATING*/ IVR A4 ISSUER NOT COOPER ATING*
13.	Long Term/Short Term Bank Facilities (Proposed)	-	-	-	-	3.00	IVR BB-/ Negative, ISSUER NOT COOPER ATING*/ IVR A4 ISSUER NOT COOPER ATING*
14.	Long Term/Short Term Bank Facilities (Proposed)	-	-	-	-	4.00	IVR BB-/ Negative, ISSUER NOT COOPER ATING*/ IVR A4 ISSUER NOT COOPER ATING*
15.	Long Term/Short Term Bank Facilities (Proposed)	-	-	-	-	2.00	IVR BB-/ Negative, ISSUER NOT COOPER ATING*/ IVR A4 ISSUER NOT COOPER ATING*

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

Annexure 2: Facility wise lender details: Not Available



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

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

