

November 13, 2023

## Veeramakali Memorial Welfare Trust: Continues to remain under issuer Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	173.65	173.65	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Unallocated	41.35	41.35	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Fund Based-Cash Credit	65.00	65.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
<b>Total</b>	<b>280.00</b>	<b>280.00</b>	

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

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has kept the long-term and short-term ratings of Veeramakali Memorial Welfare Trust in the 'Issuer Not Cooperating' category. The rating is denoted as [ICRA]D/[ICRA]D ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Liners India Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy on Default Recognition</a> <a href="#">Higher Education</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

## About the company

Established in 1986 by Mr. MV Muthuramalingam, Velammal group of trusts operate over 50 educational institutions including schools, engineering colleges medical college and hospital and has total student strength of over 1,00,000. The schools and colleges of the trust are spread across Tamil Nadu in various districts including Thiruvallur, Kancheepuram, Sivagangai, Madurai, Theni & Karur marking a strong foothold in TN in the education space. Currently, the educational institutions are run under seven trusts and one private limited company – Velammal Educational Trust (VET), Velammal Chennai Educational Trust (VCET), Velammal Madurai Educational Trust (VMET), Veeramakali Memorial Welfare Trust (VMWT), Ramana Educational Trust (RET), Vallimuthu Educational Trust, Muthuramalingam Kuncharavalli Educational Trust (MKET), Learnvel Private Limited. In FY2019, VMWT reported a net profit of Rs.20.8 crore on an operating income of Rs.236.3 crore as compared to a net profit of Rs.22.8 crore on an operating income of Rs.222.2 crore in the previous year.

## Status of non-cooperation with previous CRA:

CRA	Rating Action	Date of Release
India ratings	BWR D; ISSUER NOT COOPERATING	January 18, 2023

**Any other information: None**

## Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					13-November-2023	16-September-2022	27-July-2021	16-Oct-2020
1	Fund Based-Term Loan	Long Term	173.65	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
2	Unallocated	Long Term	41.35	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
3	Fund Based-Cash Credit	Short Term	65.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund Based-Term Loan	Simple
Unallocated	Not Applicable
Fund Based-Cash Credit	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

## Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based-Term Loan	NA	NA	NA	173.65	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated	NA	NA	NA	41.35	[ICRA]D; ISSUER NOT COOPERATING
NA	Fund Based-Cash Credit	NA	NA	NA	65.00	[ICRA]D; ISSUER NOT COOPERATING

Source: Veeramakali Memorial Welfare Trust

## Annexure-2: List of entities considered for consolidated analysis: Not applicable

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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### Branches



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