

March 24, 2015

| Facilities             | Amount (Rs. Crore) | Rating                    |
|------------------------|--------------------|---------------------------|
| <b>Term Loan - I</b>   | <b>4.50</b>        | <b>SMERA D (Assigned)</b> |
| <b>Term Loan - II</b>  | <b>1.75</b>        | <b>SMERA D (Assigned)</b> |
| <b>Term Loan - III</b> | <b>3.00</b>        | <b>SMERA D (Assigned)</b> |

SMERA has assigned a rating of '**SMERA D**' (**read as SMERA D**) to the Rs.9.25 crore bank facilities of Sri Gopiram Saraf Seva Trust (SGSST). The rating is constrained by delays in servicing and repayment of debt by the trust. The rating is also constrained by the trust's weak financial profile in an intensely competitive segment of the education sector.

SGSST, established in 2008, is a Chennai-based trust engaged in running an educational institution viz. Saraf Institute of Engineering & Technology (SIET) in Hanumangarh, Rajasthan. SGSST's term loan statement reflects delays in servicing of interest and repayment of instalments. The trust's weak financial profile is marked by low operating income of Rs.0.01 crore and deficit of Rs.0.03 crore in FY2013-14. SGSST operates in an intensely competitive segment of the education sector.

### About the institution

SIET is a Rajasthan-based educational institution run by SGSST. SIET offers graduate and diploma courses in engineering. The institution reported deficit of Rs.1.62 crore on total fee income of Rs.2.52 crore in FY2013-14, as compared with deficit of Rs.1.33 crore on total fee income of Rs.2.36 crore in FY2012-13.

### About the trust

SGSST is a Chennai-based trust established on January 24, 2008 by Mr. Gajanad Saraf, Mr. Rajesh Kumar Saraf, Mrs. Veena Devi Saraf and Mr. Sarita Saraf. SGSST runs an educational institute named Saraf Institute of Engineering & Technology (SIET) in Hanumangarh, Rajasthan. The daily operations of the trust are managed by Dr. B. Mohapatra (Principal of SIET).

SGSST's net worth and total debt stood at Rs.4.66 crore and Rs.6.64 crore, respectively, as on March 31, 2014.

### Contact List:

| Media / Business Development  | Analytical Contacts  | Rating Desk  |
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