

Press Release

Savitri Education Foundation (SEF)

July 23, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 40.50 Cr.
Long Term Rating	ACUITE BBB- Issuer non-cooperating*
Short Term Rating	ACUITE A3 Issuer non-cooperating*

* Refer Annexure for details

Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short term rating of '**ACUITE A3**' (**read as ACUITE A three**) on the Rs.40.50 crore bank facilities of Savitri Education Foundation. This rating is now an indicative rating and is based on best available information.

Acuité has taken a consolidated the business and financial risk profiles of Savitri Education Foundation (SEF) with Balajee Education Private Limited (BEPL) on account of same management, significant financial linkages in the form of unsecured loans given by BEPL to SEF and corporate guarantee extended by BEPL to SEF. The consolidated entities have been referred to as 'Savitri group' herein.

SEF was formed by Mr. Sanjay Kumar Khemka and Mr. Sunil Agarwal in 2015 to provide primary education in Kolkata. The trust operates 'The Newtown School', affiliated to CBSE Board with students of more than 2500 currently from nursery till tenth standard.

BEPL, the flagship entity of the group was founded by Mr. Sanjay Kumar Khemka and Mr. Sunil Agarwal in the year of 2005. The entity is engaged in operating tutorial and coaching centers for engineering and medical entrance exams under the franchise of Aakash Educational Services (P) Ltd, New Delhi. BEPL currently has 7 centers in West Bengal and 3 in Patna with a student base of more than 12,000.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition-<https://www.acuite.in/view-rating-criteria-17.htm>
- Service Sector-<https://www.acuite.in/view-rating-criteria-8.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
09-May-2018	Term Loan	Long Term	40.00	ACUITE BBB-/ Stable (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A3 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	40.00	ACUITE BBB- Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A3 Issuer not co-operating*

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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