

Press Release

Rajeev Education Trust Regd

August 06, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 19.50 Cr. #
Long Term Rating	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB)

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**)' on the Rs.19.50 crore bank facilities of Rajeev Education Trust Regd (RET). This rating is now an indicative rating and is downgraded on account of information risk.

Rajeev Education Trust (RET) was established in 1998. At present, the trust operates six institutes in Hassan (Karnataka) and offers undergraduate, graduate and post graduate courses in Engineering, Nursing, Polytechnic and Paramedical sciences. RET is headed by Dr. V. Rajeev (President), Dr. B. N. Rathnamma (Secretary), Dr. Ranjith Rajeev (Vice-President), Dr. Rachna Rajeev (Treasurer) and Mrs. Neelamma (Trustee). The total student strength stood at 1564 for the academic year 2017-18.

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 the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. 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-52.htm>
- Services Sector - <https://www.acuite.in/view-rating-criteria-50.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 requests.

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
29-July-2019	Term Loan	Long Term	4.85	ACUITE BBB Issuer not co-operating*
	Term Loan	Long Term	5.15	ACUITE BBB Issuer not co-operating*
	Term Loan	Long Term	9.50	ACUITE BBB Issuer not co-operating*
25-May-2018	Proposed Long Term Loan	Long Term	4.85	ACUITE BBB/ Stable (Assigned)
	Term Loan	Long Term	5.15	ACUITE BBB/ Stable (Assigned)
	Term Loan	Long Term	9.50	ACUITE BBB/ Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Proposed Term Loan	Not Applicable	Not Applicable	Not Available	4.85	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB)
Term Loan	Not Available	Not Applicable	Not Available	5.15	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB)
Term Loan	Not Available	Not Applicable	Not Available	9.50	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB)

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,000 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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