

Press Release

Sree Educational Society

August 17, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	35.68	ACUITE BB Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	35.68	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB**' (read as ACUITE double B) from '**ACUITE BB+**' (read as ACUITE double B plus) on the Rs.35.68 crore bank facilities of Sree Educational Society (SES). The rating is now flagged as "Issuer Not-Cooperating" and it is based on the account of information risk. The rating has been downgraded on account of information risk.

About the Company

Established in 1997, Hyderabad based, Sree Educational Society (SES) is engaged in the activity of running engineering and Masters of Business Administration (MBA) programs under 'Sreenidhi Institute of Science & Technology' (SIST). It was affiliated to the Jawaharlal Nehru Technological University, Hyderabad (JNTUH) till 2009. From 2010, the institution had attained autonomous status. SIST campus is spread across 33 acres, located in Yanampet of Ghatkesar Mandal in Rangareddy district of Telangana. Directors of the firm are Mr. Prithvi Rao, Mrs. Lakshmi Devi, Mr. Mahi, Mrs. Prassanna, Mrs. Saritha, Mr. Vijay Rao, Mr. Abhijit Rao, Mr. Vikram Rao

Non-cooperation by the issuer/borrower

Acuite 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. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with 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 Acuite's policies.

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). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit ratings is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Key Financials:

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

Status of non-cooperation with previous CRA

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
02 Jun 2021	Proposed Bank Facility	Long Term	24.00	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	4.18	ACUITE BB+ Stable (Reaffirmed)
	Secured Overdraft	Long Term	7.50	ACUITE BB+ Stable (Reaffirmed)
11 Mar 2020	Secured Overdraft	Long Term	7.50	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	4.18	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)
27 Dec 2018	Secured Overdraft	Long Term	7.50	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	4.18	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE BB Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	24.00	ACUITE BB Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	4.18	ACUITE BB Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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