

Press Release

A Shama Rao Foundation

May 14, 2020



Rating Update

Total Bank Facilities Rated*	Rs.43.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB/ Stable) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB/Stable**' (read as **ACUITE triple B**) on the Rs.43.00 crore bank facilities of A Shama Rao Foundation (ASRF). This rating is now an indicative rating and is downgraded on account of information risk.

Established in 1988 as a trust, ASRF is a part of Srinivas Group (SG), and CA. A. Raghavendra Rao is the founder. The trust manages 18 educational institutes and offers various programmes in Science, Engineering, Management, and in Health Sciences in three campuses in Mangalore with about 12,000 students, 76 courses, 3000 staff members. SG was established in 1988 with the opening of its first college, Srinivas College of Hotel Management and has a presence in education since then. SG has its own private university, Srinivas University, approved by the government. The Colleges are located on three campuses. First campus is located in Pandeshwar (1.5 Acres of land with 8,500 Sq. Mts. of build up area), the heart of downtown Mangalore, the business and financial centre of Western Karnataka. The other Campus is located at Valachil (35 Acres of land with 60,000 Sq. Mts. of build up area), nearly 10 KM from Mangalore along Mangalore Bangalore Highway. The third campus is located at Mukka, Surathkal (40 Acres of land and about 1,40,000 Sq.Mts. built-up area).

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 due date.

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

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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Sector Entities - <https://www.acuite.in/view-rating-criteria-59.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). 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 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)

Not Applicable

Any other information

Acuite 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
08-Mar-2019	Term Loan	Long Term	41.50	ACUITE BBB / Stable (Assigned)
	Proposed Term Loan	Long Term	1.50	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
Term Loan	Aug-2013	Not Applicable	Aug-2023	41.50	ACUITE BB+ (Downgraded from ACUITE BBB/ Stable) Issuer not co-operating*
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE BB+ (Downgraded from ACUITE BBB/ Stable) Issuer not co-operating*

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

Contacts

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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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any instrument rated by Acuité.