

Press Release

A Shama Rao Foundation

November 04, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	43.00	ACUITE BB Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	43.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB**' (read as **ACUITE Double B**) on the Rs. 43.00 Crore bank facilities of A Sharma Rao Foundation (ASRF). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

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, and 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 buildup 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 buildup area), nearly 10 KM from Mangalore along Mangalore Bangalore Highway. The third campus is located at Mukka, Surathkal (40 Acres of land and about 140000 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 the due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating continues to be 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). Acuité endeavored 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.

Rating Sensitivity

"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

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Aug 2021	Term Loan	Long Term	41.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Term Loan	Long Term	1.50	ACUITE BB (Downgraded and Issuer not co-operating*)
14 May 2020	Proposed Term Loan	Long Term	1.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	41.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
08 Mar 2019	Term Loan	Long Term	41.50	ACUITE BBB Stable (Assigned)
	Proposed Bank Facility	Long Term	1.50	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
Not Applicable	Not Applicable	Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE BB Reaffirmed Issuer not co-operating*
Bank of Maharashtra	Not Applicable	Term Loan	Not available	Not available	Not available	41.50	ACUITE BB Reaffirmed Issuer not co-operating*

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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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