



Press Release

Sree Vidyanikethan Educational Trust

April 26, 2023

Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	135.32	IVR BB-/Negative ISSUER NOT COOPERATING* (IVR double B minus with Negative outlook Issuer Not Cooperating)	Revised from IVR BB/ Stable (IVR double B with Stable outlook) and moved to the 'Issuer Not Cooperating' category	Simple
Long Term/Short Term Bank Facilities	14.68	IVR BB-/ Negative/ IVR A4 ISSUER NOT COOPERATING* (IVR double B minus with Negative outlook and IVR A four Issuer Not Cooperating)	Revised from IVR BB/ Stable/IVR A4 (IVR double B with Stable outlook and IVR A four) and moved to the 'Issuer Not Cooperating' category	Simple
Total	150.00 (INR One hundred and fifty crore only)			

**Issuer did not cooperate; based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding Sree Vidyanikethan Educational Trust performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.



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Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mail communications dated December 5, 2022, December 29, 2022, January 19, 2023, February 10, 2023, March 14, 2023, April 3, 2023, April 5, 2023 and April 12, 2023 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information.

Accordingly, the long-term ratings for the bank loan facility aggregating to INR 135.32 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB-/Negative ISSUER NOT CO-OPERATING based on best available information (IVR double B with Negative outlook and Issuer Not Co-operating) and the long term/ short term rating to Rs. 14.68 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB-/Negative/IVR A4 ISSUER NOT CO-OPERATING (IVR double B minus with Negative outlook and IVR A four and Issuer Not Co-operating) based on best available information of Sree Vidyanikethan Educational Trust.

Analytical Approach & Applicable Criteria: Standalone

[Rating Methodology for Services Sector](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Default Recognition Policy](#)



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About the entity

SVET was established in 1992 by Dr. M. Mohan Babu, a popular movie artist and film producer in Andhra Pradesh and former Member of Parliament (Rajya Sabha). The trust currently operates eight institutions. The main campus of the trust is situated about 14 KMs away from Tirupati and has engineering, degree, pharmacy, nursing and management institutes along with three schools. In January 2022, The 'Mohan Babu University'(MBU) was launched in Tirupati. Its engineering, degree, pharmacy, nursing and management institutes that are already functioning under the SVET, will now be part of MBU.

Financials (Standalone)

(INR Crore)

For the year ended* / As On	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	110.12	104.33
EBITDA	23.37	35.61
PAT	1.30	7.43
Total Debt	150.58	140.62
Tangible Net worth	65.62	72.36
EBITDA Margin (%)	21.22	34.14
PAT Margin (%)	1.17	7.06
Overall Gearin Ratio (x)	2.31	1.94

* As per Infomerics Standard

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument /Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22 February 14, 2022	Date(s) & Rating(s) assigned in 2020-21
1.	Long-Term Bank Facility	Long Term	135.32	IVR BB-/Negative ISSUER NOT COOPERATING*	-	IVR BB/ Stable	-
2.	Long Term/Short Term Bank Facilities	Long Term/ Short Term	14.68	IVR BB-/Negative ISSUER NOT COOPERATING*/ IVR A4 ISSUER NOT COOPERATING*	-	IVR BB/ Stable/ IVR A4	-

* Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.



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Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy, or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Term Loan- 1	-	-	March 2030	92.66	IVR BB-/ Negative ISSUER NOT COOPERATING*
Term Loan- 1	-	-	July 2022	7.66	IVR BB-/ Negative ISSUER NOT COOPERATING*
Proposed Term Loan	-	-	-	20.00	IVR BB-/ Negative ISSUER NOT COOPERATING*



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SOD	-	-	-	15.00	IVR BB-/ Negative ISSUER NOT COOPERATING*
Unallocated Limits	-	-	-	14.68	IVR BB-/ Negative ISSUER NOT COOPERATING*/ IVR A4 ISSUER NOT COOPERATING*

**Issuer did not cooperate; based on best available information*

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com