

September 27, 2024

Sri Siddhartha Academy of Higher Education: Moved to Issuer Non-Cooperating category; ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based Term loans	93.10	93.10	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB- (Stable) and moved to the 'Issuer Not Cooperating' category
Long-term Unallocated limits	6.90	6.90	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB- (Stable) and moved to the 'Issuer Not Cooperating' category
Total	100.00	100.00	

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

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has downgraded and moved the rating for the bank facilities of Sri Siddhartha Academy of Higher Education (SSAHE) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB+(Stable); ISSUER NOT COOPERATING".

The rating downgrade is because of lack of adequate information regarding SSAHE's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. 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 entity, despite the downgrade.

As a part of its process and in accordance with its rating agreement with SSAHE, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, liquidity position, rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy In Respect of Non-Cooperation by a Rated Entity Higher Education
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Sri Siddhartha Academy of Higher Education (SSAHE) was established as a trust under a Deed of Trust dated May 9, 2007, at Agalakote, Tumkur, Karnataka and was recognised as a Deemed to be University u/s 3 of the UGC Act, 1956 on May 30, 2008. The university is registered u/s 12A (A) and 12AA of the Income Tax Act, 1961 as a Charitable Trust. The university has been accredited with 'A' grade status by the National Assessment and Accreditation Council (NAAC) as on November 16, 2015.

The sponsoring body, Sri Siddhartha Education Society (SSES) was founded by the Late H M Gangadharaiiah. The constituent institutions are Sri Siddhartha Medical College, Sri Siddhartha Dental College, Sri Siddhartha Institute of Technology, Sri Siddhartha Institute of Medical Sciences & Research Centre (SSIMSRC) and Sri Siddhartha Paramedical College. They offer MBBS, MD, MS, BE, M.Tech, and Ph.D courses.

Key financial indicators (audited)

Sri Siddhartha Academy of Higher Education	FY2022	FY2023	FY2024*
Operating income	277.3	349.5	417.1
PAT	135.9	181.2	236.6
OPBDIT/OI	59%	59%	58%
PAT/OI	49%	52%	57%
Total outside liabilities/Tangible net worth (times)	0.25	0.21	0.25
Total debt/OPBDIT (times)	0.68	0.54	0.40
Interest coverage (times)	12.5	17.1	19.0

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Brickwork Ratings, in its rationale published on Sri Siddhartha Academy of Higher Education on October 31, 2023, downgraded the rating to BWR B-/Stable and continued the rating in the 'Issuer Not Cooperating' category based on best available information as the issuer did not cooperate.

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2025)				Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	FY2025		FY2024		FY2023		FY2022	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based Term loan	Long-term	93.10	Sept 27, 2024	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	June 16, 2023	[ICRA]BBB- (Stable)	-	-	-	-
Unallocated limits	Long-term	6.90	Sept 27, 2024	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	June 16, 2023	[ICRA]BBB- (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Term loans	Simple
Long-term – Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	FY2015-FY2021	-	FY2026-FY2030	93.10	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Unallocated limits	-	-	-	6.90	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not Applicable

ANALYST CONTACTS

Ashish Modani

+91 20 6606 9912

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Pulkit K Varshney

+91 80 4332 6427

pulkit.varshney@icraindia.com

Aashay Jain

+91 80 4332 6431

aashay.jain@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.