

November 19, 2019

Prashanth Educational Society: Continues to remain in Non-Cooperating category, Rating downgraded based on best available information

Summary of rated instruments

Instruments	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based – Term Loan	4.60	4.60	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and continues to remain under 'Issuer Not Cooperating' category
Long Term - Unallocated	2.40	2.40	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and continues to remain under 'Issuer Not Cooperating' category
Total	7.00	7.00	

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

^Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Prashanth Educational Society 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 the rated entity". 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 part of its process and in accordance with its rating agreement with Prashanth Educational Society, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation / Standalone	Standalone

About the company

Registered in 2007, Prashanth Educational Society has three English medium Schools, an international School and a business school under its auspice. The institutions are located in Tirupati in Andhra Pradesh. The society is promoted by Mr, V. Chandra Sekhar Reddy who has more than three decades of experience in the education sector.

Key Financial Indicator: Not Applicable

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

All figures in Rs. crore

SNo	Name of Instrument	Current Rating (FY2020)				Chronology of Rating History for the Past 3 years				
		Type	Rated amount (Rs. crore)	Amount outstanding	Month-year & Rating November 19, 2019	Month- year and Rating in				
						FY2019	FY2018	FY2017		
					August 08, 2018	November 15, 2017	February 14, 2017	May 10, 2016		
1	Term Loan	Long-term	4.60	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING*	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]B+	
2	Unallocated	Long-term	2.40	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING*	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	NA	

*Issuer did not co-operate; based on best available information

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1 Instrument Details

ISIN No	Instrument	Type	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	Long Term	October 2012	-	September 2022	4.60	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated Amount	Long Term	-	-	-	2.40	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Prashanth Educational Society

Annexure-2: List of companies considered for consolidated analysis: Not applicable

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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.

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