



Rating Rationale

23 November 2020

AYAAN EDUCATIONAL SOCIETY

Brickwork Ratings has reviewed the ratings assigned to the bank loan facilities of Rs. 9.50 crore of the Ayaan Educational Society based on best available information, as the society did not cooperate.

Particulars

Facilities [#]	Previous Rated Amount Rs. Crs	Present Rating Amount Rs. Crs	Tenure	Rating ¹	
				Previous Ratings [^]	Present Rating [*]
Non Fund Based	9.50	9.50	Long Term	BWR B+/Stable Assigned	BWR B/Stable Issuer Not Cooperating** Downgrade
Total	9.50	Rs. 9.50 Crore (Rupees Nine Crores and Fifty Lakhs Only)			

**Issuer Not Cooperating: Based on best available information*

1 Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

#Note: Details of Bank facilities are provided in Annexure I

Rating downgraded and migrated to ISSUER NOT COOPERATING* category

Nature of Non-Cooperation:

The rating was due for a review in November 2020. Brickwork Ratings (BWR) took up with the society to provide required information over emails and through telephone communication. Despite the best efforts of Brickwork Ratings to get at least the minimum required information for a review, the society has not provided the same. Hence, the ratings were continued to the 'Not Reviewed' category. In the absence of adequate information from the issuer and continued lack of management cooperation, Brickwork Ratings is unable to assess the issuer's financial performance and its ability to service its debt and maintain valid ratings. The society has not been submitting NDS to BWR. Based on inadequate information and continued lack of management cooperation, Brickwork Ratings has downgraded the long term rating to 'BWR B/Stable from BWR B+/Stable and migrated to the Issuer Not Cooperating* category.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated society arising from its non-transparency withholding of information required for a review of the rating.



About the Society

Ayaan Educational Society was established in 1998. The Society is engaged in providing educational services. Ayaan College of Engineering & Technology is the only institute that is being run and managed by this Society. The institute is built on a 35 acre land which is owned by the society and offers various courses like B.Tech branches in Computer Science, Electronics and Communication Engineering, Electrical and Electronics Engineering and Civil Engineering and M Tech in Power Electronics and Drives. This institute is affiliated with Jawaharlal Nehru Technological University, Hyderabad and approved by AICTE. This institute is also recognized by the Government of A.P. & Telangana. The Ayyan Hospital has been running since 3 years with the motivation of helping the poor patients and quality health awareness in poor. The hospital has 330 beds & Labs with multi specialty facilities. All the below persons are Governing Members of the society having good experience in the line of Educational institutes.

No financial information has been submitted to BWR over the last one year

Key Covenants of the facility rated: The terms of sanction include standard covenants normally stipulated for such facilities.

Status of non-cooperation with previous CRA – NA

RATING HISTORY FOR THE LAST THREE YEARS (Including Withdrawn/Suspended)

Sl. No.	Facilities	Current Ratings (2020)			Ratings History		
		Type	Amount (Rs. Cr)	Ratings [^]	(21.11.2019)	(2018)	(2017)
1	Non Fund Based	Long Term	9.50	BWR B/Stable Issuer Not Cooperating* Downgrade	BWR B+/Stable Assigned	-	-
Total		Rs. 9.50 Crore (Rupees. Nine Crores and Fifty Lakhs Only)					

* Issuer did not cooperate; Based on best available information

Existing Rating From any other CRA: NA

Complexity Levels of the Instruments:

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services Sector](#)
- [Short Term Debt](#)
- [What Constitutes Non-Cooperation](#)

Analytical Contacts	
<p>Prashanth B Ratings Analyst B :+91 40 2331 0161 / 2331 0071 prashanth.b@brickworkratings.com</p>	<p>K Nagaraj Associate Director - Ratings B :+91 80 4040 9940 nagaraj.ks@brickworkratings.com</p>
1-860-425-2742	media@brickworkratings.com

Ayaan Educational Society
Annexure I: Details of Bank Facilities rated

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Cr)	Short Term (Rs. Cr)	Total (Rs. Cr)
1	Canara Bank	Non Fund Based Bank Guarantee	9.50	-	9.50
TOTAL - Rupees Nine Crores and Fifty Lakhs Only					9.50



For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.