



## RATING RATIONALE

27 May 2021

### PRAGATHI EDUCATIONAL SOCIETY

**Brickwork Ratings has downgraded the ratings for the Bank Loan Facilities of Rs. 5.00 Crs. of the Pragathi Educational Society based on best available information, as the issuer did not cooperate.**

Facilities**	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous (April, 2020)	Present
Fund based	5.00	<b>5.00</b>	Long Term	BWR B+ Stable Assigned	<b>BWR B Stable Issuer Not Cooperating* Downgrade</b>
<b>Total</b>	5.00	<b>5.00</b>	<b>Rs. 5.00 Crore (Rupees Five Crores Only)</b>		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\* Issuer did not cooperate, based on best available information.

Not Reviewed the outstanding rating of BWR B+(Stable) on 08<sup>th</sup> April 2021

\*\*Details of Bank facilities are provided in Annexure-I

### **Ratings downgraded and migrated to ISSUER NOT COOPERATING\* category**

#### **NATURE OF NON-COOPERATION**

The rating was due for a review in April 2021. Brickwork Ratings (BWR) took up the trust 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 trust has not provided the same. Hence, the ratings were migrated 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 trust 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, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

## TRUST PROFILE

M/s. Pragathi Educational Society was formed as an educational society on 4th May 1994 at Pragathi Nagar, Nizamabad, Andhra Pradesh for carrying out the activities of imparting education at primary, secondary and higher levels and providing technical, professional and other general education. The society is constituted by seven members, namely, Mr. Venkata Subba Rao, President, Smt. Sithamahalaxmi, Vice President, Ms. Vijayalaxmi, Secretary, Mr. Rajani Babu, Treasurer, Ms. Tejashwini, Mr. Raja and Mr. Ramoji Rao are the other members of the society. The members are qualified and have vast experience in the educational industry for more than two decades. Pragathi Educational Society started schools & institutions namely, Kakatiya High school in 1993 having classes from LKG to Xth with seating capacity of 2980, Kakatiya Junior college in 1994 with seating capacity of 3960, Kakatiya BEd college between 2000 - 2017 and Kakatiya Institute of Technology & science during 2009 with 1440 capacity for FY19. The institutions have put together teaching staff of 568 nos and non-teaching staff of 208 nos for FY19 as against 538 nos and 198 nos respectively in FY18. During, May 2019 Kakatiya Institute of Technology and science for women has been affiliated by Jawaharlal Nehru Technological University, Hyderabad and All India Council for Technical Education, New Delhi. The Universities have granted affiliation to various UG and PG courses (like, B.Tech- Civil, B. Tech CSE, ECE and EEE) for FY2019-20. As per the management, estimated revenue from fees from various institutions was at Rs. 27.00 crs as on March 2020.

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

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - NA**

## RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

Facilities	Current Rating			Rating History		
	Tenure	Amount (Rs.Crs.)	Ratings	(07.04.2020)	(2019)	(2018)
Fund Based Overdraft - Sanctioned	Long Term	5.00	BWR B Stable Issuer Not Cooperating* Downgrade	BWR B+ Stable Assigned	---	---
<b>Total</b>		<b>Rs. 5.00 Crore (Rupees. Five Crores Only)</b>				

Not Reviewed the outstanding rating of BWR B+(Stable) on 08<sup>th</sup> April 2021

\* Issuer did not cooperate; Based on best available information

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

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

Analytical Contacts	
<b>Kovvuru Yeshwanth Kumar Reddy</b> Ratings Analyst B :+91 8884455584 <a href="mailto:kykumar.r@brickworkratings.com">kykumar.r@brickworkratings.com</a>	<b>K Nagaraj</b> Associate Director - Ratings B :+91 80 4040 9940 <a href="mailto:nagaraj.ks@brickworkratings.com">nagaraj.ks@brickworkratings.com</a>
1-860-425-2742	media@brickworkratings.com

**Pragathi Educational Society**

**ANNEXURE I**

**Details of Bank Loan Facilities rated by BWR**

Sl. No.	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)
1	<b>Fund Based</b> Overdraft - Sanctioned	5.00	-	5.00
	<b>TOTAL</b>	5.00	-	<b>5.00</b>
<b>TOTAL - Rupees Five Crores Only</b>				



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