

## Chaitanya Educational Society

June 11, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	9.96	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated April 28, 2023, placed the rating(s) of Chaitanya Educational Society (CES) under the 'issuer non-cooperating' category as CES had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. CES continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 13, 2024, March 23, 2024, April 02, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

**Analytical approach:** Standalone

**Outlook:** Not Applicable

### Detailed description of the key rating drivers:

Please refer to PR dated [April 28, 2023](#)

### Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)  
[Policy on Default Recognition](#)

### About the Society

Chaitanya Educational Society (CES) was established in the year 2001 as a part of Chaitanya Group under the Societies Registration Act, 1860 (A.P. Societies Registration Act, 2001) at Kakinada, East Godavari District, Andhra Pradesh. The society was founded by Mr. K.V.V. Satyanarayana with an objective of promoting educational institutions of higher learning in the field of Science & Technology, Engineering, Pharmacy, Management etc. Further, he is ably supported by Mr. Sasi Karan Varma, the youngest son of Mr. K.V.V. Satyanarayana Raju, who is the managing director of CES. The society has established two institutions namely Chaitanya Engineering College (CEC) (2002-03), Sri Chaitanya Engineering College (SCEC) (2009-10). CES institutes have been approved by All India Council for Technical Education (AICTE), New Delhi and affiliated to the Jawaharlal Nehru Technological University (JNTU). The courses offered in the CES institutes are B. Tech., M. Tech., M.B.A., and Engineering diploma with an overall sanctioned annual intake of 1848 seats.

Brief Financials (Rs. crore)	March 31, 2018 (A)	March 31, 2019 (A)
Total operating income	10.30	9.54
PBILDT	3.29	2.29
PAT	-0.90	-1.81
Overall gearing (times)	5.83	15.48
Interest coverage (times)	1.27	0.85

A: Audited; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Covenants of the rated instruments/facilities:** Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	6.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2020	3.96	CARE D; ISSUER NOT COOPERATING*

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

#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	3.96	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Apr-23)	1)CARE D; ISSUER NOT COOPERATING* (20-Apr-22)	-
2	Fund-based - LT-Bank Overdraft	LT	6.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Apr-23)	1)CARE D; ISSUER NOT COOPERATING* (20-Apr-22)	-

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

LT: Long term

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not Applicable

#### Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple

#### Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

### Contact us

<b>Media Contact</b>  Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	<b>Analytical Contacts</b>  Shachee Nakul Vyas Assistant Director <b>CARE Ratings Limited</b> Phone: 079-40265665 E-mail: <a href="mailto:shachee.tripathi@careedge.in">shachee.tripathi@careedge.in</a>
<b>Relationship Contact</b>  Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a>	Aniket Shringarpure Lead Analyst <b>CARE Ratings Limited</b> Phone: +91-79-40265659 E-mail: <a href="mailto:aniket.shringarpure@careedge.in">aniket.shringarpure@careedge.in</a>
	Sakshi Thadani Associate Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Sakshi.Thadani@careedge.in">Sakshi.Thadani@careedge.in</a>

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

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