



Press Release

Guru Nanak Educational Society

October 14, 2022

Ratings

Facility	Amount (Rs. Crore)	Ratings	Rating Action	Complexity Indicator
Long-term Bank Facilities-Term Loan	34.43	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)	Revised from IVR BBB- / Stable Outlook and Moved to ISSUER NOT COOPERATING category	Simple
Long-term Bank Facilities-Cash Credit	18.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)	Revised from IVR BBB- / Stable Outlook and Moved to ISSUER NOT COOPERATING category	Simple
Total	52.43 (Rs. Fifty two crore forty three lakhs only)			

* Issuer did not cooperate; based on best available information

Details of Facilities are in Annexure 1

Detailed Rationale

Infomerics has revised and moved the ratings assigned to the bank facilities of Guru Nanak Educational Society (GNES) to Issuer Not Cooperating' category because of lack of adequate information from the entity for review of ratings and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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.

Non-cooperation by Issuer

Infomerics has been seeking information from GNES to monitor the ratings vide E-mail communications dated August 29, 2022, September 14, 2022, September 23, 2022, and October 06, 2022 and concurrently over several phone calls. However, despite our repeated requests, the entity has not provided the requisite information for monitoring the ratings. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based



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on the best available information. Accordingly, the ratings for the bank loan facilities of GNES aggregating to Rs.52.43 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings be noted as IVR BB+; Issuer Not Co-operating, Based on best available information (IVR Double B Plus; Issuer Not Co-operating; Based on best available information).

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Service Sector Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

About the Entity

Guru Nanak Educational Society (GNES), registered under Andhra Pradesh Public Societies Registration Act was established in 1998 under the Chairmanship of Philanthropist Sardar Tavinder Singh Kohli. GNES founded Guru Nanak Institutions Technical Campus (GNITC) in 2001. The campus is constructed on 30.23 acres of land situated in Ibrahimpatnam, RR District, Andhra Pradesh. GNES is currently having 6,000+ students currently enrolled in various programs of studies including Engineering and Technology, Pharmacy, Business Management and Dental Science. The institute is approved by AICTE and affiliated to Jawaharlal Nehru Technological University, Hyderabad. Further, the society has received NAAC (National Assessment and Accreditation Council) A+ accreditation for its campus (valid till October 2022).

Financials (Standalone):

For the year ended* / As On	(Rs. crore)	
	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating Income	84.81	79.72
Total Income	84.81	79.72
EBITDA	17.66	19.95
PAT	5.06	6.20
Total Debt	59.33	52.04
Tangible Net worth	57.80	64.00
EBITDA Margin (%)	20.83	25.03
PAT Margin (%)	5.97	7.78
Overall Gearing Ratio (x)	0.88	0.65



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*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil.

Any other information: Nil

Rating History for last three years: (Rs. Crore)

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1	Term Loan	Long Term	34.43	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)	IVR BBB- / Stable Outlook (July 23, 2021)	IVR BBB- / Stable Outlook (May 05, 2020)	-
2	Cash Credit	Long Term	18.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)	IVR BBB- / Stable Outlook (July 23, 2021)	IVR BBB- / Stable Outlook (May 05, 2020)	-

Issuer did not cooperate; based on best available information

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Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com



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Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan	-	-	December, 2024	34.43	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)
Long Term Bank Facilities – Cash Credit	-	-	-	18.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)

Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Available

Annexure 3: List of companies considered for consolidated analysis: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com