



## Press Release

### Guru Nanak Educational Society

October 09, 2023

#### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities-Term Loan	34.43	IVR BB; Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative outlook; ISSUER NOT COOPERATING)	Revised from IVR BB+ and continued under ISSUER NOT COOPERATING category	Simple
Long Term Bank Facilities- Cash Credit	18.00	IVR BB; Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative outlook; ISSUER NOT COOPERATING)	Revised from IVR BB+ and continued under ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>52.43</b> <b>(Rs. Fifty two</b> <b>crore forty three</b> <b>lakhs only)</b>			

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

#### Details of Facility are in Annexure 1

#### Detailed Rationale

The revision in the rating is because of continuous non-cooperation by the Trust despite repeated follow ups and lack of adequate information leading to information availability risk for Guru Nanak Educational Society (GNES) and hence uncertainty around its credit risk. The negative outlook is assigned due to information availability risk. Infomerics assesses whether the information available about the Trust 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 Trust.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the Trust to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated August 02, 2023, September 04, 2023, and October 03, 2023, and concurrently over several phone calls.



## Press Release

However, despite repeated requests by Infomerics, the Trust's management has not submitted all the essential details required for detailed review of the assigned 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 on the best available information. Accordingly, the long-term rating assigned to the bank loan facilities aggregating to Rs.52.43 crore of Guru Nanak Educational Society shall be continued to remain under the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating will be noted as IVR BB; Negative; Issuer Not Cooperating; Based on best available information (IVR Double B with Negative outlook; Issuer Not Co-operating; Based on best available information). The negative outlook is assigned due to information availability risk.

**Analytical Approach:** Standalone

### **Applicable Criteria**

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

[Rating Methodology for Service Sector Companies](#)

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

[Policy of default recognition](#)

**Liquidity:** Unable to comment due to non-availability of information despite repeated follow ups.

### **About the Trust**

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):** Latest Financials not available

**(Rs. Crore)**



## Press Release

For the year ended* / As On	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

\* As per Infomerics Standard

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (Oct 14, 2022)	Date(s) & Rating(s) assigned in 2021-22 (July 23, 2021)	Date(s) & Rating(s) assigned in 2020-21 (May 05, 2020)
1.	Term Loan	Long Term	34.43	IVR BB; Negative; Issuer Not Cooperating*	IVR BB+; Issuer Not Cooperating*	IVR BBB-; Stable	IVR BBB-; Stable
2.	Cash Credit	Long Term	18.00	IVR BB; Negative; Issuer Not Cooperating*	IVR BB+; Issuer Not Cooperating*	IVR BBB-; Stable	IVR BBB-; Stable

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

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration



## Press Release

from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com)

**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 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 Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	December, 2024	34.43	IVR BB; Negative; Issuer Not Cooperating*
Cash Credit	-	-	-	18.00	IVR BB; Negative; 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 Available



## Press Release

**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 <https://www.infomerics.com/>

