



Press Release

Guru Nanak Educational Society

September 26, 2024

Ratings

Security/Facilities	Amount (Rs. crore)	Current Ratings*	Previous Ratings*	Rating Action	Complexity Indicator
Long Term Bank Facilities-Term Loan	34.43	IVR B+; Negative, ISSUER NOT CO- OPERATING* (IVR Single B plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BB; Negative, ISSUER NOT CO- OPERATING* (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING*)	Downgraded and continued under ISSUER NOT COOPERATING category	Simple
Long Term Bank Facilities- Cash Credit	18.00	IVR B+; Negative, ISSUER NOT CO- OPERATING* (IVR Single B plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BB; Negative, ISSUER NOT CO- OPERATING* (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING*)	Downgraded and continued under ISSUER NOT COOPERATING category	Simple
Total	52.43 (Rs. Fifty- two crores and forty three lakhs only)				

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

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded the ratings assigned to the bank facilities of Guru Nanak Education Society because of continuous non-cooperation by the Trust despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk.



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Infomerics Ratings assesses whether the information available about the trust is commensurate with its rating and reviews the same as per its policy. The outlook remains negative due to information availability risk.

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 Ratings 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 01, 2024, August 29, 2024, and September 02, 2024, concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the fees and essential details/information for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics Ratings has to assign the rating based on the best available information.

Analytical Approach: Standalone

Applicable Criteria:

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

[Rating Methodology for Service Sector Companies](#)

[Policy of default recognition](#)

[Criteria of assigning Rating outlook](#)

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

[Criteria on complexity](#)

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



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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 information not available

(Rs. crore)

For the year ended / As on	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating 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
Interest coverage ratio (x)	3.26	2.81

**Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					October 09, 2023	October 14, 2022	July 23, 2021
1.	Term Loan	Long Term	34.43	IVR B+/Negative; ISSUER NOT COOPERATING*	IVR BB; Negative ISSUER NOT COOPERATING*	IVR BB+; ISSUER NOT COOPERATING*	IVR BBB-; Stable



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Sr. No.	Name of Security/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					October 09, 2023	October 14, 2022	July 23, 2021
2.	Cash Credit	Long Term	18.00	IVR B+/Negative; ISSUER NOT COOPERATING*	IVR BB; Negative ISSUER NOT COOPERATING*	IVR BB+; ISSUER NOT COOPERATING*	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 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.



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For more information visit 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 / Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facilities-Term Loan		-	-	December 2024	34.43	IVR B+; Negative, ISSUER NOT CO-OPERATING*
Long Term Fund Based facilities-Cash Credit		-	-	-	18.00	IVR B+; Negative, ISSUER NOT CO-OPERATING*

* Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Available

Annexure 3: Detailed explanation of covenants of the rated Security / Instrument: Not Applicable

Annexure 4: List of companies considered for consolidated /combined analysis: 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>.