

Press Release

Geeta Educational Trust

September 18, 2018



Rating Update

Total Bank Facilities Rated	Rs. 8.00 Cr. #
Long Term Rating	ACUITE D Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE B+**' (read as **ACUITE B plus**) to the Rs.8.00 crore bank facilities of Geeta Educational Trust (GET). This rating is now an indicative rating and is based on best available information.

The rating downgrade reflects delays in servicing of interest obligations on account cessation of business activities by the trust.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Service Entities - <https://www.acuite.in/view-rating-criteria-8.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

Established in 2007, GET ran an educational institute in Haryana by the name Geeta Institute of Management & Technology. The institute offered courses in engineering, management and computer applications. The trust was managed by Mr. D K Gupta, who possesses more than four decades of experience in the technical education space.

For FY2017(Provisional), GET reported Profit after Tax (PAT) of Rs.0.12 crore on total operating income of Rs.7.79 crore compared to PAT of Rs.0.44 crore on total operating income of Rs.9.83 crore in FY2016.

Status of non-cooperation with previous CRA (if applicable):

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
22-Jul-2017	Cash Credit	Long Term	7.75	ACUITE B+/ Stable (Downgraded from ACUITE BB-/Stable)
	Term Loan	Long Term	0.25	ACUITE B+/ Stable (Withdrawn)
	Proposed Long Term Loan	Long Term	0.25	ACUITE B+/ Stable (Assigned)
24-Jun-2016	Cash Credit	Long Term	7.75	ACUITE BB-/Stable (Assigned)
	Term Loan	Long Term	0.25	ACUITE BB-/Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.75	ACUITE D (Downgraded from ACUITE BB-/Indicative)
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE D (Downgraded from ACUITE BB-/Indicative)

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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