

Press Release

Garden City Education Trust

October 05, 2020

Rating Update



Total Bank Facilities Rated*	Rs.10.50 Cr. #
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+) Issuer not cooperating*
Short Term Rating	ACUITE A4+ Issuer not cooperating*

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB**' (read as **ACUITE BB**) from '**ACUITE BB+**' (read as **ACUITE BB plus**) and the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.10.50 crore bank facilities of Garden City Education Trust (GCET). This rating is now an indicative rating and is downgraded on account of information risk.

GCET was registered in 1992 with the main objective of imparting educational training in various fields such as Arts, Computer science, Life science, Tourism, Management and Media science, to name a few. GCET runs the Garden City College (GCC) and Garden City University (GCU) at Bangalore (Karnataka), which is presently offering about 30 different courses. The Trustees are Dr. Joseph V.G, Mrs. Gracey. K. J and Mr. Christo. V. Joseph.

Non-cooperation by the issuer/borrower

Acuite 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 the due date.

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

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Entities in service sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

Any other information

Acuite 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. Cr.)	Ratings/Outlook
29-July-2019	Secured Overdraft	Long Term	2.50	ACUITE BB+/Stable (Upgraded)
	Secured Overdraft	Long Term	3.00	ACUITE BB +/Stable (Upgraded)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed)
3-Aug-2018	Secured Overdraft	Long Term	2.50	ACUITE BB/Stable (Upgraded)
	Secured Overdraft	Long Term	3.00	ACUITE BB /Stable (Upgraded)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed)
12-July-2017	Secured Overdraft	Long Term	2.50	ACUITE BB-/Stable (Assigned)
	Secured Overdraft	Long Term	3.00	ACUITE BB-/Stable (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ Issuer not co-operating*

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

Contacts

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About Acuite Ratings & Research:

Acuite Ratings & Research 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.

Disclaimer: *An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuite.*