

Press Release

Garden City Education Trust

December 30, 2021



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.00		ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	5.50	ACUITE BB- Downgraded Issuer not co-operating*	
Total	10.50	-	-

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB-**' (**read as ACUITE double B minus**) from '**ACUITE BB**' (**read as ACUITE double B**) and reviewed 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). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

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:

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 the due date.

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

Acuité 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.

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 endeavoured 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 - Key Financials

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

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook: Not Applicable

Status of non-cooperation with previous CRA

Not Applicable

Any other information

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

Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Oct 2020	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	2.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	3.00	ACUITE BB (Downgraded and Issuer not co-operating*)
29 Jul 2019	Secured Overdraft	Long Term	3.00	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Bank Guarantee	Short term	5.00	ACUITE A4+ (Reaffirmed)
	Secured Overdraft	Long Term	2.50	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
03 Aug 2018	Secured Overdraft	Long Term	2.50	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Secured Overdraft	Long Term	3.00	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed)
12 Jul 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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Initial Quantum (Rs. Cr.)	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	5.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	2.50	2.50	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Federal Bank	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	3.00	3.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

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About Acuité Ratings & Research

Acuité 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 8,850 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 Kanjurmarg, Mumbai.

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