

Press Release

Chitkara Educational Trust

September 30, 2021

Rating Update



Total Bank Facilities Rated*	Rs.65.00 Cr.#
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE A-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A1) Issuer not co-operating*

#Refer Annexure for details

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

Acuite has downgraded the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE A-**' (read as **ACUITE A minus**) and the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A1**' (read as **ACUITE A One**) on the Rs.65.00 Crore bank facilities of Chitkara Educational Trust. This rating is now an indicative rating and is based on the best available information.

CET was established in 1998 by Dr. Ashok Chitkara who is the Chairman of the trust as well as Chancellor of Chitkara University and Dr. Madhu Chitkara who is the General Secretary of the trust and Vice-chancellor of Chitkara University. The trust manages a school and colleges and offers undergraduate programs, postgraduate program and doctoral programs in fields such as Engineering, Management, Pharmacy and other courses in Health Sciences, Nursing to name a few. The school is recognized by Education Department, Chandigarh Administration and affiliated till grade/class 10+2 with Central Board of Secondary Education (CBSE) and has a strength of around 1800. CET has established two universities by the name of Chitkara University, Baddi (Himachal) and Chitkara University, Patiala (Punjab). Chitkara University (Himachal) started its operations from Academic Year 2008- 09 after the Legislature of Himachal Pradesh passed Chitkara University Act, 2009 and Chitkara University (Punjab) was established by the Punjab State Legislature under 'Chitkara University Act'. The Himachal campus is spread across 17 acres with student strength of ~2600 students for the academic session 2019-20 and Punjab campus is spread over 50 acres with the student strength of ~12700 students for the academic session 2019-20. The University extends its services by providing transportation and hostel facilities to its students with total capacity of 5500 students including both Himachal and Punjab campus. Chitkara University is recognised by the University Grants Commission (UGC). The university is also accredited by the National Assessment and Accreditation Council (NAAC). Relevant programmes are approved by the Council of Architecture (COA), Pharmacy Council of India (PCI), National Council for Teacher Education (NCTE), Indian Nursing Council (INC) and National Council for Hotel Management and Catering Technology (NCHMCT)

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.

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.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities in service sector - <https://www.acuite.in/view-rating-criteria-50.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.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.

Liquidity Indicators:

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

Rating Sensitivity –

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

About the Rated Entity- Key Financials

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

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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
25-March-2020	Overdraft	Long Term	10.00	ACUITE A-/Stable (Reaffirmed)
	Overdraft	Long Term	19.50	ACUITE A-/Stable (Reaffirmed)
	Long Term Loan	Long Term	24.50	ACUITE A-/Stable (Reaffirmed)
	Dropline Overdraft	Long Term	4.00	ACUITE A-/Stable (Reaffirmed)
	Proposed Long Term	Long Term	4.00	ACUITE A-/Stable (Assigned)
	Dropline Overdraft	Long Term	4.00	ACUITE A- (Withdrawn)
	Bank Guarantee/Letter of Guarantee	Short Term	3.00	ACUITE A1 (Reaffirmed)
09-January-2019	Overdraft	Long Term	10.00	ACUITE A-/Stable (Assigned)
	Dropline Overdraft	Long Term	4.00	ACUITE A-/Stable (Assigned)
	Overdraft	Long Term	19.50	ACUITE A-/Stable (Assigned)
	Long Term Loan	Long Term	24.50	ACUITE A-/Stable (Assigned)
	Dropline Overdraft	Long Term	4.00	ACUITE A-/Stable (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	3.00	ACUITE A1 (Assigned)

***Annexure – Details of instruments rated**

Lender's Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
UCO Bank	Overdraft	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ (Downgraded from ACUITE A-) Issuer not co-operating*
Kotak Mahindra Bank	Overdraft	Not Applicable	Not Applicable	Not Applicable	19.50	ACUITE BB+ (Downgraded from ACUITE A-) Issuer not co-operating*
Kotak Mahindra Bank	Long Term Loan	Not Available	Not Available	Not Available	24.50	ACUITE BB+ (Downgraded from ACUITE A-) Issuer not co-operating*
Kotak Mahindra Bank	Dropline Overdraft	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB+ (Downgraded from ACUITE A-) Issuer not co-operating*
Not Applicable	Proposed Long Term	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB+ (Downgraded from ACUITE A-) Issuer not co-operating*
Kotak Mahindra Bank	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4+ (Downgraded from ACUITE A1) Issuer not co-operating*

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 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.

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.*