

Press Release

Chitkara Educational Trust

December 16, 2022



Rating Downgraded & Withdrawn, Reaffirmed & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	62.00	ACUITE BB Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	3.00	-	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	65.00	-	-

Rating Rationale

Acuite has downgraded and withdrawn the long term rating to '**ACUITE BB**' (read as **ACUITE Double B**) from **ACUITE BB+** (Read as **Acuite Double B Plus**) and reaffirmed and withdrawn the short term rating of "**ACUITE A4+**" (read as **ACUITE A four plus**) on the 65 cr. bank loan facilities of CHITKARA EDUCATIONAL TRUST.

The team has received the withdrawal request from the client because the client does not want to continue the further rating. A No Objection Certificate (NOC) for the same has been received. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating. The rating continues to be flagged as "Issuer Not Cooperating", and downgraded on account of information risk.

About the Company

Chitkara Educational Trust was established in 1998. 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. CET has established two universities by the name of Chitkara University, Baddi (Himachal) and Chitkara University, Patiala (Punjab). 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) Operations of Chitkara Educational Trust are managed by Dr. Ashok Chitkara, Dr. Madhu Chitkara, Mr. Mohit Chitkara.

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. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with 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 Acuité's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in Press Release CHITKARA EDUCATIONAL TRUST Rating Reaffirmed, Downgraded, & Withdrawn, and Issuer not co-operating 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 ratings 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

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Sep 2021	Secured Overdraft	Long Term	10.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	3.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Working Capital Term Loan	Long Term	24.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	19.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	4.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Dropline Overdraft	Long Term	4.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
25 Mar 2020	Secured Overdraft	Long Term	19.50	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	4.00	ACUITE A- Stable (Assigned)
	Dropline Overdraft	Long Term	4.00	ACUITE A- (Withdrawn)
	Bank Guarantee	Short Term	3.00	ACUITE A1 (Reaffirmed)
	Working Capital Term Loan	Long Term	24.50	ACUITE A- Stable (Reaffirmed)
	Dropline Overdraft	Long Term	4.00	ACUITE A- Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE A- Stable (Reaffirmed)
09 Jan 2019	Working Capital Term Loan	Long Term	24.50	ACUITE A- Stable (Assigned)
	Secured Overdraft	Long Term	10.00	ACUITE A- Stable (Assigned)
	Secured Overdraft	Long Term	19.50	ACUITE A- Stable (Assigned)
	Bank Guarantee	Short Term	3.00	ACUITE A1 (Assigned)
	Dropline Overdraft	Long Term	4.00	ACUITE A- Stable (Assigned)
	Dropline Overdraft	Long Term	4.00	ACUITE A- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Dropline Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE BB Downgraded & Withdrawn Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE BB Downgraded & Withdrawn Issuer not co-operating*
UCO Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB Downgraded & Withdrawn Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	19.50	ACUITE BB Downgraded & Withdrawn Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	24.50	ACUITE BB Downgraded & Withdrawn Issuer not co-operating*

Contacts

Analytical	Rating Desk
<p>Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in</p> <p>Dipti Choudhary Management Trainee-Rating Operations Tel: 022-49294065 dipti.choudhary@acuite.in</p>	<p>Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in</p>

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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