

March 13, 2024

Good Shepherd Educational Trust (Good Shepherd International School): Continues to remain under issuer Non-Cooperating category, Ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term Fund based – Term Loan	10.00	10.00	[ICRA]BB+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB(Stable) ISSUER NOT COOPERATING and continue to remain under 'Issuer Not Cooperating' category
Long term Fund based – Cash Credit	10.25	10.25	[ICRA]BB+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB(Stable) ISSUER NOT COOPERATING and continue to remain under 'Issuer Not Cooperating' category
Total	20.25	20.25	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Good Shepherd Educational Trust's (GSET) performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Good Shepherd Educational Trust, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy In Respect of non-co-operation by the rated entity Rating Methodology-Higher Education
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the rated entity

About the company

Established in 1977, GSET runs GSIS, a fully residential international school at Ooty, Tamil Nadu. The school has over 700 students and provides education from Classes III to XII. The school curriculum is affiliated to the International General Certificate of Secondary Education (IGCSE) Board (under the Cambridge University, United Kingdom), the Indian Certificate of Secondary Education (ICSE) Board and the International Baccalaureate (IB). Till FY2020, GSET used to operate from two campuses: (i) Fernhill – located at the erstwhile Baroda summer palace, near the Ooty Lake and (ii) Palada – around five kilometres from the former. From FY2021, all the operations have been shifted to the Palada campus and the Fernhill campus has been closed.

GSET is run by its Managing Trustee, Mrs. Elsamma Thomas, co-Founder and Senior Vice President and Mr. Jacob Thomas, son of Late P.C. Thomas, co-Founder and the erstwhile Principal. Mr. Jacob Thomas has been inducted as a Lifetime Trustee and is the new President of the institution. In FY2022 (as per provisional financials), GSET reported a net surplus of Rs. 11.7 crore on revenue receipts of Rs. 66.1 crore compared to a net surplus of Rs. 9.7 crore on revenue receipts of Rs. 49.6 crore in the previous year.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S.no.	Instrument	Type	Amount Rated (Rs. Crore)	Amount outstanding as of March 31, 2022 (Rs. Crore)	Current rating (FY2024)		Chronology of rating history for the past 3 years			
					Date & rating in FY2024		Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021
					March 13, 2024	September 21, 2023	June 29, 2022	May 31, 2022	-	February 19, 2021
1	Term Loan	Long term	10.00	10.00	[ICRA]BB+(Stable) ISSUER NOT COOPERATING	[ICRA]BBB(Stable) ISSUER NOT COOPERATING	[ICRA]A-(Stable)	[ICRA]A-(Stable)	-	[ICRA]A-(Stable)
2	Cash Credit	Long term	10.25	-	[ICRA]BB+(Stable) ISSUER NOT COOPERATING	[ICRA]BBB(Stable) ISSUER NOT COOPERATING	[ICRA]A-(Stable)	[ICRA]A-(Stable)	-	[ICRA]A-(Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term Fund-based – Term loan	Simple
Long-term Fund-based – Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan	FY2018	NA	FY2025	10.00	[ICRA]BB+(Stable) ISSUER NOT COOPERATING
NA	Cash Credit	NA	NA	NA	10.25	[ICRA]BB+(Stable) ISSUER NOT COOPERATING

Source Good Shepherd Educational Trust (Good Shepherd International School)

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis – Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Branches



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