

January 02, 2024

## S. K. S. Educational and Social Trust: Ratings moved to ‘Issuer Not Cooperating’ category; ratings downgraded based on best available information

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund based – Overdraft	19.95	19.95	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB+ (Stable) and moved to ‘Issuer Not Cooperating’ Category
Long Term – Fund Based – Term Loan	15.68	15.68	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB+ (Stable) and moved to ‘Issuer Not Cooperating’ Category
Long Term / Short Term – Unallocated limits	4.37	4.37	[ICRA]BB+ (Stable)/ [ICRA]A4+ ISSUER NOT COOPERATING*; Ratings downgraded from [ICRA]BBB+ (Stable)/ [ICRA]A2 and moved to ‘Issuer Not Cooperating’ Category
<b>Total</b>	<b>40.00</b>	<b>40.00</b>	

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

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

The rating downgrade is because of lack of adequate information regarding **S. K. S. Educational and Social Trust** 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](http://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 **S. K. S. Educational and Social 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 ratings are 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 : [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	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy in respect of Non-cooperation by a rated entity</a> <a href="#">Rating Methodology for Entities in the Higher Education Sector</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the entity

## About the company

S. K. S. Educational and Social Trust (SKSEST) was formed in 2001 by Mr. Satish Kumar Sharma and his family members for imparting education. The trust offers primary and secondary education; undergraduate courses like B. Tech, BCA, BBA and B. Pharma; diploma courses in engineering and pharmacy; diploma in elementary education and Bachelor of Education courses (B.Ed); and post-graduate courses like MBA and M. Pharma through its five colleges and five schools. The Bengal College of Engineering and Technology is the flagship college of the trust, which started operations in 2001. The combined strength of all the schools and colleges managed by the trust was over 11,400 students in the academic year 2021-22.

## Key financial indicators (audited)

	FY2021	FY2022
Operating income (Rs. crore)	48.9	52.3
PAT (Rs. crore)	16.4	9.3
OPBDIT/OI (%)	58.0%	46.7%
PAT/OI (%)	33.6%	17.8%
Total outside liabilities/Tangible net worth (times)	0.21	0.21
Total debt/OPBDIT (times)	1.25	1.36
Interest coverage (times)	10.50	8.93

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore

Source: S. K. S. Educational and Social Trust

## Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL Ratings	Issuer not cooperating, based on best-available information; Rating continues to be 'CRISIL B/ Stable, ISSUER NOT COOPERATING'	April 28, 2023

Any other information: None

## Rating history for past three years

Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the past 3 years			
		Amount Rated (Rs. crore)	Amount Outstanding as of March 31, 2023 (Rs. crore)	Date & Rating in			
				Jan 2, 2024	Oct 10, 2022	Oct 7, 2021	Sep 16, 2020
1 Overdraft	Long Term	19.95	17.51	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
2 Term Loan	Long Term	15.68	14.33	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
3 Unallocated Limits	Long Term/ Short Term	4.37	NA	[ICRA]BB+ (Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING*	[ICRA]BBB+ (Stable)/ [ICRA]A2	[ICRA]BBB+ (Stable)/ [ICRA]A2	[ICRA]BBB+ (Stable)/ [ICRA]A2

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

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based Limits – Working capital facilities	Simple
Long-term - Fund-based Limits – Term Loan	Simple
Unallocated limits	Not applicable

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	Overdraft – ODTCS	-	-	-	15.00	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Overdraft – ODIP	-	-	-	4.00	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Overdraft	-	-	-	0.95	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Term Loan – 1	Oct, 2019	-	Oct, 2029	6.50	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Term Loan – 2	Oct, 2019	-	May, 2025	7.00	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	WCTL – GECL	Aug, 2020	-	Jul, 2024	1.55	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Covid Loan	Dec, 2021	-	Dec, 2026	0.63	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Unallocated Limits	-	-	-	4.37	[ICRA]BB+ (Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING

Source: S. K. S. Educational and Social Trust

[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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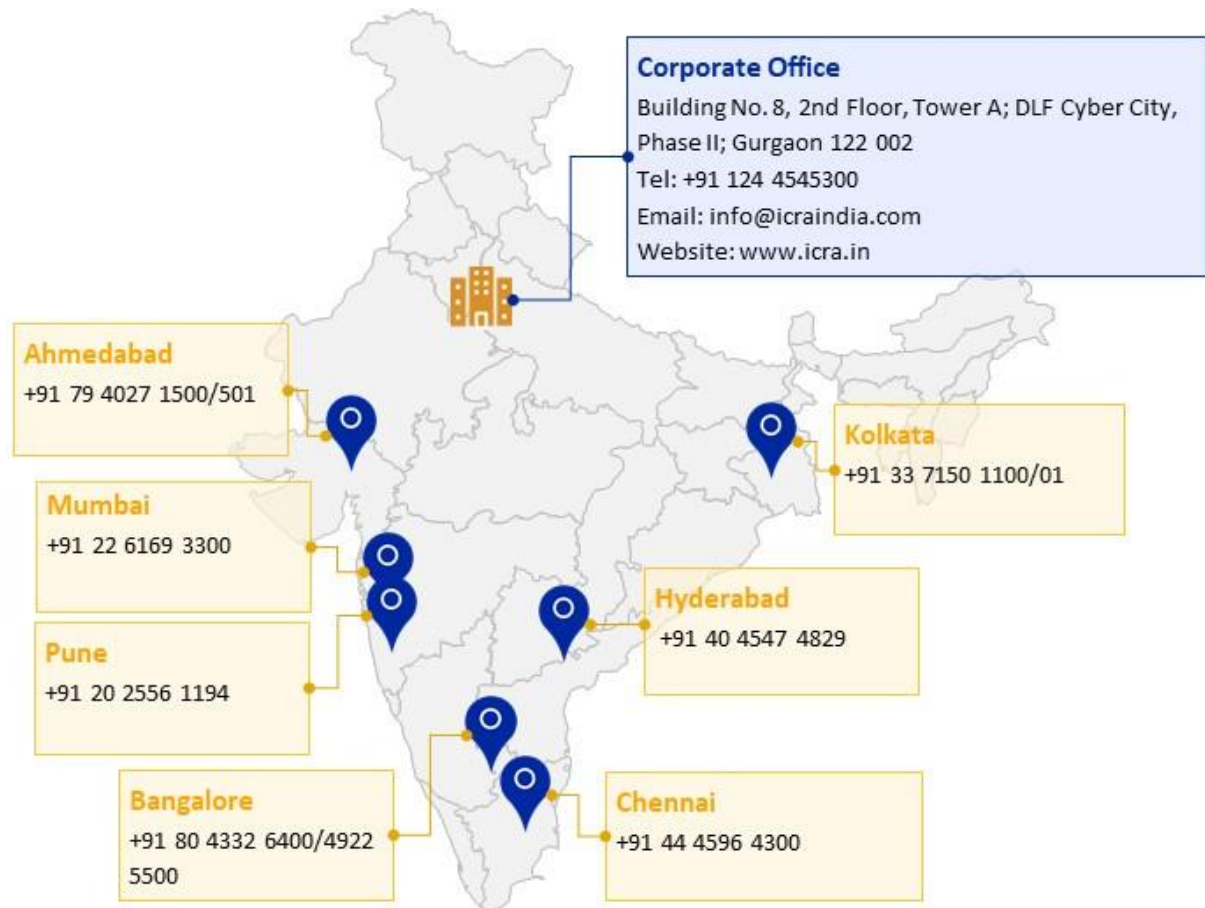
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