



## Rating Rationale

07 Jan 2021

### AARK India Educational Trust

**Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs.5.50Crs of AARK India Educational Trust based on best available information, as the company did not cooperate.**

#### Particulars

Facilities**	Amount (Rs. Crs)		Tenure	Rating#	
	Previous	Present		P revious(Jul 2019)	Present (Jan 2021)
<b>Fund based</b>					
Overdraft	5.50	5.50	Long Term	BWR B/ Stable	<b>BWR B Issuer Not Cooperating*/ Stable Reaffirmed</b>
<b>Total</b>	<b>5.50</b>	<b>5.50</b>	<b>Rupees Five Crores And Fifty Lakhs Only</b>		

\* Issuer did not cooperate;Based on the best available information ; \*\*Details of Bank facilities are provided in Annexure-I; # Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

#### Rating Action/Nature of Non Cooperation

The ratings were migrated to the 'Rating not Reviewed' category and a Rating Advisory was issued for delay in rating review on 31Jul2020 due to delay in receipt of essential information required for review arising from the prevailing disruptions due to Covid-19. Brickwork Ratings (BWR) has consistently taken up with the company through emails and telephone calls to provide financial and operational information for the periodic monitoring and surveillance of the ratings. Despite the best efforts of BWR to get at least the minimum required information for a review, the company continues to be non cooperative. Due to the continued lack of management cooperation and in the absence of adequate information from the company, BWR is unable to assess the company's performance. Hence, based on extant regulatory guidelines, continued non cooperation by the company and the best available information, Brickwork Ratings has reaffirmed the ratings of BWR B/Stable and migrated the ratings to the Issuer Not Cooperating\* category.

#### Limitations of the Rating

Information availability risk is a key factor in the assessment of credit risk as generally non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

### Key Financial Indicators

The Company has not provided financial information to BWR for the past year.

### Profile of trust

AARK India Educational Trust was established in 2007 at Tirunelveli, Tamil Nadu. The trust had set up a school in Chengalpattu, Tamil Nadu called SCAD World School in 2014-2015. The school is on the national highway, 3km from Chengalpattu, 45km from Chennai and 8km from Mahindra World City. As on date, the school has classes upto Eighth Grade. The school has adopted the CBSE curriculum. There are 28 teaching staff and 15 non teaching staff. Dr.S Cletus Babu, Mrs.J.X.Amali, Mr.C.Arun Babu, Mrs.Ignatius Jessy, Mr.M.Rosari, Mrs.A.Mary Augustis and Mr.Arul Santosh Philip are the trustees. Dr.S.Cletus Babu and Mrs.J.Amali are also the founder trustees of AARK India Educational Trust, Social Change and Development (Rated BWR C-) and St.Xavier’s Educational Trust.(Rated BWR C) The three trusts belong to SCAD group of institutions .The SCAD group has 11 Educational Institutions. They have been in the educational field since 1989 and have established 11 educational institutions in southern districts of Tamil Nadu.

### Status of non-cooperation with previous CRA - NA

### Rating History for the last three years [including withdrawal and suspended]

Facilities	Current Rating (January 2021)			Rating History <sup>^</sup>		
	Tenure	Amount (Rs. Crs)	Rating	2020	01 Jul 2019	26 Apr 2018
<b>Fund Based</b>						
Overdraft	Long Term	5.50	<b>BWR B Issuer Not Cooperating*/Stable Reaffirmed</b>	-	BWR B/Stable	BWR B/Stable
<b>Total</b>		<b>5.50</b>	<b>Rupees Five Crores And Fifty Lakhs Only</b>			

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

### Complexity levels of the instruments

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)
- [Services Sector](#)

Analytical Contacts	
<b>G.Karthick</b> <b>Ratings Analyst</b> <b>B: +91 80 4040 9940</b> <b>Ext: 342</b> <b>karthick.g@brickworkratings.com</b>	<b>Parvathavardhini Natarajan</b> <b>Associate Director - Ratings</b> <b>B: +914424663326</b> <b>parvathavardhini.n.@brickworkratings.com</b>
<b>1860-425-2742</b>	<b>media@brickworkratings.com</b>

## ANNEXURE I

### AARK India Educational Trust Details of Bank Loan Facilities rated by BWR

Sl No.	Name of the bank	Facility	Long Term (Rs Crs)	Short Term (Rs Crs)	Total (Rs Crs)
1	Central Bank of India	Overdraft	5.50	-	5.50
<b>Total : Rupees Five Crores And Fifty Lakhs Only</b>					5.50

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