

Rating Rationale

Brickwork Ratings reaffirms “BWR B+” for the Bank Loan Facilities aggregating ₹ 8.71 Cr (reduced from ₹ 9.75 Cr) of Green Garden Educational Trust

Brickwork Ratings (BWR) has reaffirmed the **Rating¹** for the Bank Loan Facilities of **Green Garden Educational Trust** (“GGET” or “the Trust”):

Bank Facility	Previous Limits (₹ Cr)	Present Limits (₹ Cr)	Tenure	Previous Rating (March 2015)	Rating
Fund Based: Term Loan*	9.75	8.71	Long Term	BWR B+ (BWR B Plus) Outlook- Stable	BWR B+ (BWR B Plus) Outlook- Stable <i>Reaffirmed</i>
Total	9.75	8.71	INR Eight Crores and Seventy One Lakhs Only		

*Outstanding Amount

BWR has essentially relied upon the trust audited financial results upto FY15, publicly available information and the information/clarifications provided by the Trust.

The rating reaffirmation continues to factor the experience of the trustees in the educational field, established track record of the parent organization Green Park Educational Trust in Namakkal, Tamil Nadu and the capital infusion by the promoters. However, the rating remains constrained by the limited track record as this is a new school being established by the Trust, stiff competition from other educational institutions, regulatory risks associated with the educational institutions and the continuous need for capital expenditure for investment in infrastructure facilities.

Background:

Green Garden Educational Trust was established in March 2013 in Namakkal, Chennai with the objective of promoting education from primary to Engineering, Technical, Medical, Research and Management. The Trust is an associate of Green Park Educational Trust, Namakkal, Tamil Nadu, which runs an established educational institution Green Park Matriculation Higher Secondary School in Namakkal. The Trust has recently constructed a school in the name of “Green Park Educational Trust” in Perundurai, Chennai. The school offers courses from 6th to 12th standard.

Green Park Educational Trust, the parent organisation, is an Indian private educational institution located in Bodhupatty, Namakkal, Tamil Nadu, India, established in 2007 by Mr. S. P. N. Sharavanan.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Trustees Profile

The Trust is run by a group of twenty-four Trustees. Mr S. P. N Sharavanan is the Chairman and Managing Trustee. All the Trustees are well-qualified teachers with a minimum teaching experience of 20 years.

Financial Performance

Trust has incurred operating loss of Rs 0.15 Crs in FY15. However the trust has reported surplus after tax of Rs 0.24 Crs on account of Non operating income. As of March 31, 2015, corpus fund of the Trust stood at Rs. 0.24 Crs.

Rating Outlook

The rating outlook is expected to be stable over the current year. Going forward, the ability of the trust to achieve targeted student enrolments, expand its infrastructure appropriately, retain qualified and experienced faculty, sustain its profitability amidst competition in the education industry and ensure timely debt servicing would be the key rating sensitivities.

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