

AUGUST 17, 2015

CARE ASSIGNS 'CARE D' RATING TO THE BANK FACILITIES OF NEW JAI BHARAT EDUCATIONAL TRUST

Ratings

| Facilities | Amount (Rs. crore) | Ratings ¹ | Remarks |
|---------------------------|-----------------------|------------------------------------|-----------------|
| Long-term Bank Facilities | 11 | CARE D (Single D) | Assigned |
| Total | 11 | | |

Rating Rationale

The rating assigned to the bank facilities of New Jai Bharat Educational Trust (NJBET) factors in the ongoing delays in meeting the debt obligations, owing to the tight liquidity position of the trust

Background

NJBET is a non-minority, charitable trust registered under Section 12A of the Income Tax Act. The main objective of the trust is to provide education services and engage in the social welfare activities to the rural population. Presently, the trust runs an engineering college under the name Ariyalur Engineering College, offering five undergraduate engineering courses which are approved by the All India Council for Technical Education (AICTE) and is affiliated to Anna University, Chennai. The campus is spread over 20 acres of land located at Trichy district, Tamil Nadu, and build up area of 95,000 sq. ft.

The Trust reported a total fee income of Rs.1 crore and a surplus of Rs.0.11 crore in FY14.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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