

Stride's Charitable Trust
October 29, 2020

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	7.22	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Revised from CARE B; Stable (Single B; Outlook: Stable) and moved to ISSUER NOT COOPERATING category
Total Facilities	7.22 (Rs. Seven Crore and Twenty-Two Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Stride's Charitable Trust to monitor the rating vide letter dated October 08, 2020 and e mail communications dated September 25, 2020, September 11, 2020, September 03, 2020 and numerous phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Stride's Charitable Trust will now be denoted as **CARE B-; Stable; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Detailed description of the key rating drivers

The rating has been revised by taking into account non-cooperation by Stride's Charitable Trust with CARE'S efforts to undertake a review of the rating outstanding. CARE views information availability risk as a key factor in its assessment of credit risk. The rating assigned to Stride's Charitable Trust continues to remain constrained due to increasing competition and limited reach and high regulation in educational sector in India. The ratings, however, derive strength from experienced and qualified trustees along with competent teaching staff & well established infrastructure and association with the reputed brand.

Key Rating Weaknesses***Increasing competition and limited reach***

The school is located in Rohtak, Haryana. This limits the enrollment in the school to the nearby areas. Single location of Haryana limits the penetration level for the society. Further, due to increasing focus on education in India, a number of schools have opened up in close proximity and several established private and government schools are already running in and around the city thereby increasing the competition.

High regulation in educational sector in India

Educational sector in India is placed in the concurrent list of the constitution and thus comes under the purview of both Central and State Government. The sector is regulated by Ministry of Human Resource at the national level, by the education ministries in each state, as well as by Central bodies like University Grant Commission (UGC) and 14 other professional councils. The operating and financial flexibility of the education sector is limited, as regulations governs almost all aspects of operations, including fee structure, number of seats, changes in curriculum and infrastructure requirements.

Key Rating Strengths***Experienced and qualified trustees along with competent teaching staff & well established infrastructure***

The operations of SCT are managed by Mr. Anshul Kumar, President who has a total work experience of around 35 years and Mr. Jagbir Singh, father of Mr. Anshul Kumar has a work experience of around 45 years. Furthermore, SCT has employed a highly experienced and qualified teaching staff to support the academic requirements of the school. Additionally, the school provides the students with established infrastructure facilities.

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

*Issuer did not cooperate; Based on best available information

Association with the reputed brand

The school is running under the aegis of 'Woodard Group of Schools', an established international brand in the education sector and having 41 schools and academies in United Kingdom and 1 school in Kenya. The society will operate and manage the school as per the guidelines issued by King's School Taunton Limited (KSTL), which is a part of Woodard Group of Schools, thereby providing assurance with respect to education quality standards.

Analytical approach: Standalone

Applicable Criteria:

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Rating Outlook and Credit Watch](#)

[CARE's Policy on Default Recognition](#)

[CARE's methodology for education sector](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity analysis of Non-financial sector entities](#)

About the company

Stride's Charitable Trust (SCT) got registered under the Society registration Act-1860 in October, 2013 by Mr. Anshul Kumar and Mr. Jagbir Singh. The society is running a school under the name of "King's College India" (KCI) at Rohtak, Haryana in alliance with King's School Taunton Limited (KSTL). KCI is affiliated to International General Certificate of Secondary Education (IGCSE) and is currently offering classes from Nursery to 9th standard. SCT has two group concerns: Dynamic Transmission Limited and Tightwell Fasteners

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	3.70	5.45
PBILDT	-5.82	-4.09
PAT	-7.86	-6.14
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited, NM: Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	November, 2026	7.22	CARE B-; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	7.22	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable (05-Sep-19)	1)CARE B+; Stable (31-Aug-18)	1)CARE B+; Stable (05-Oct-17)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this trust

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple

Note on complexity levels of the rated instrument: 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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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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