

Rating Rationale

Brickwork Ratings Reaffirms ‘BWR B+’ for existing Long Term Bank Loan Facilities amounting to ₹ 6.86 Cr of ABSS Institute of Technology (Kastoori Devi Foundation).

Brickwork Ratings has *reaffirmed* the **Rating¹** for existing bank loan facilities of Rs6.86 Cr (INR Six Crores and Eighty Six Lacs Only) of ABSS Institute of Technology (Kastoori Devi Foundation). (“KDF” or the “Trust”) as follows:

Facility	Present Limit(₹ Cr)	Previous Limit(₹ Cr)	Tenure	Rating	Rating History
Term Loan (Fund Based)	3.91*	6.46	Long Term	Rating Reaffirmation BWR B+ (Pronounced BWR B Plus) (Outlook-Stable)	BWR B+ (Pronounced BWR B Plus) (Outlook-Stable)
Corporate Loan (Fund Based)	2.85	-			
SME Car Loan (Fund Based)	0.10	0.17			
Over Draft (Fund Based)	-	2.00			
Total	6.86	8.63	INR Six Crores and Eighty Six Lacs only		

* Term Loan outstanding as on 6th November, 2015.

BWR has essentially relied upon the audited financial results up to FY15 and projections up to FY17, publicly available information and information/clarifications provided by the company’s management.

The rating draws strength from well qualified & experienced management trustees, highly dedicated faculties, sound infrastructure, low leverage and geographical influence on the college. However, the rating is constrained by competition from other established institutions, challenge of achieving projected admissions and lower occupancy ratio.

Background

Kastoori Devi Foundation (KDF) was established in the year 2004. KDF is registered as a public Charitable Trust. The Trust operates ABSS Institute of technology is located in Meerut, U.P which is started in August 2007. The purpose of establishing educational trust is to promote, establish and manage educational institutions in various fields beneficial to the community at large.

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

ABSS Institute of Technology offering four-year technical course (Bachelor of Technology), two year management programme and a polytechnic course. The Campus of the institute is spread over an area of 10 acres and college building build up area 185000 sq.ft. In the academic year 2015-16, the institute has 937 students, 80 teaching staffs and 22 non-teaching staffs.

Trustee Details

The trustees of the KDF are Ms. Shashi Bharadwaj, Mr. Satya Deo Bhardwaj, Mr. Atul Bharadwaj and Ms. Preeti Sharma.

Financial Performance:

Net receipt has increased to Rs5.79 Cr in FY15 from Rs5.31 Cr in FY14. Surplus has increased to Rs0.62 Cr in FY15 as against Rs0.57 Cr in FY14. Net profit margin and operating profit margin of the company stood at 10.27% and 45.11% respectively. Actual average intake in the academic year 2016 has decreased to ~48% against ~50% in the academic year 2015.

Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, the ability of the institution to increase the intake capacity utilization and receipts of fee on time with improved margins, ensure timely debt servicing and manage its liquidity would be the key rating sensitivities.

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