

Rating Rationale

AKS Charitable Trust

12th April 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.11.75Cr of AKS Charitable Trust (AKSCT or the ‘Trust’).

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based Term Loan	10.15	Long Term	BWR BB (Pronounced As BWR Double B) Outlook:(Stable)
Fund Based Over Draft	1.60		
Total	Rs 11.75 Crores (Rupee Eleven Crores Seventy Five Lakhs only)		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

The Trust also having Term Loan from Balaji bank of (0.80Cr) and vehicle loans from HDFC, Balaji bank & SBI of (0.25)Cr which is not considered for rating.

Rating assigned

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY16, projected financials up-to FY18, publicly available information and information/clarification provided by the Trust’s management.

The rating has factored, inter alia, directors’ experience in the education sector, diversified courses offered by the institute, healthy corpus fund, increase in gross enrolment ratio and growth in revenue Y-O-Y. The rating is, however, constrained by moderate scale of operations, vulnerability to regulatory risk associated with the education sector, weak liquidity position due to rise in current liabilities and competition from other educational institutions in the vicinity.



Going forward, the ability of the Trust to sustain its margins amidst competition in education sector, to ensure timely debt servicing, improve enrolment ratio in its existing courses, attract more and more students for courses by improving placement in reputed organisations, improve revenue levels will remain the key rating sensitivities.

Rating Outlook: Stable

BWR believes the AKS Charitable Trust's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

AKS charitable trust is a promising group of institutions with a vision of delivering quality education in the field of Agriculture Science, Engineering, Management and Pharmacy .The Trust, headquartered in Satna, Madhya Pradesh was established in the year 2006. AKS Charitable Trust is a body, under which various educational Institutions including AKS University are running. The Trust consists of AKS University, Satna, Rajiv Gandhi College Satna and Rajiv Gandhi College of Computer Application & Technology. AKS Charitable University got UGC recognition in the year 2104. Presently there are 200 faculties are in the university for teaching and 100 technical and administrative staffs.

Mr. Anant Kumar Soni is the Chairman of the Trust. He looks after the day to day operations and manage overall business related affair of the Trust. Mr.Amit Kumar Soni, Mr.Vinay Kumar Soni, Smt. Preety Soni, Smt Arti Soni, Shri Mirthilesh Kushwala, Shri Achchhe lal Yadav are the trustees. They are having significant experience in education industry who understands the market and utilizing his knowledge in business growth.

Trust Financial Performance

The Trust has reported Net Sales of Rs. 28.50 Crores in FY16 with a PAT of 4.77 Crs against Rs.21.72 Crores in FY15 with a PAT of 3.29 Crs. It has projected a turnover of 32.04 Crs in FY17.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/ Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Term Loan	Long Term	10.15	BWR BB (Stable)	--	--	--
2	Over Draft	Long Term	1.60	BWR BB (Stable)	--	--	--

Status of non-cooperation with previous CRA (if applicable): NA

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Education Industry](#)

Analytical Contacts	Media
Mr. VidyaShankar, Chief General Manager, Ratings	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.



About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.