

RATING RATIONALE

20 Dec 2020

Aaryan Educational & Charitable Trust

Brickwork Ratings has Downgraded the ratings for the Bank Loan Facilities of Rs. 7.18 Crs. of Aaryan Educational & Charitable Trust based on the best available information, as the issuer did not cooperate.

Instruments / Facilities**	Amount (Rs.Crs)		Tenure	Rating#		
	Previous	Present		Previous		Present
				April, 2018	July, 2019	
Fund based: Term Loan I Term Loan II Term Loan III	4.35 1.21 1.62	4.35 1.21 1.62	Long Term	BWR B-Stable	Rating Not Reviewed	BWR C Downgrade Issuer Not Cooperating*
Total	7.18	7.18	INR Seven Crores and Eighteen Lakhs Only			

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

* Issuer did not cooperate, based on best available information.

**Details of Bank facilities is provided in Annexure-I

RATING ACTION:

In view of non-availability of the information and lack of cooperation from the trust, Brickwork Ratings has downgraded the rating to BWR C Issuer not Cooperating for the bank loan facilities amounting to Rs. 7.18 Crores of Aaryan Educational & Charitable Trust.

The lenders may note to exercise due caution while using the above ratings which mentions "**Issuer Not Cooperating**" since the ratings lack any projections or forward-looking components as it is arrived based on the best available information on the trust without any management interaction.

The rating was due for a review in July 2019. BWR took up with the trust to provide the required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for review, the entity has not provided the same. In the absence of adequate information from the trust, BWR is unable to assess the trust's financial performance and its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take



into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of the information required for a review of the rating.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR]

Key Financial Indicators	Units	FY 2017	FY 2016
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	3.53	1.76
EBITDA	₹ Cr	0.24	0.23
PAT	₹ Cr	0.27	0.12
Tangible Net Worth	₹ Cr	1.42	0.88
Total Debt/Tangible Net Worth	Times	3.63	1.94
Current Ratio	Times	0.66	0.71

TRUST’s PROFILE (Information as available in 2017)

Aaryan Education & Charitable Trust was established in Nov 2016. The trust is in Berhampur, Odisha. The trust is currently being managed by 3 trustees, Mr. Rajeev Tripathy, Ms. Jayshree Tripathy and Mr. Mahendra Mahapatro. The trust has established one educational institute namely ‘Aaryan Gurukul Residential College’ in Berhampur. Presently, the ‘Aaryan Gurukul Residential College’ is offering plus 2 (Science & Commerce) and plus 3 (Graduation- B.Sc. & B.Com.) courses. Plus 2 courses are recognised by Council of Higher Secondary Education (CHSE), Odisha and plus three courses are recognised by Berhampur University. The trust also provides hostel facilities to their students in Berhampur.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS

Facilities	Current Rating			Rating History	
	Tenure	Amount (Rs.Crs.)	Rating	July 2019	April 2018
Fund Based	Long Term	7.18	BWR C Downgrade Issuer Not Cooperating	Rating Not Reviewed	BWR B- Stable Reaffirmed
Total		7.18	INR Seveen Crores and Eighteen Lakhs Only		

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Service Sector](#)

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ANNEXURE I

Aaryan Educational & Charitable Trust

Details of Bank Loan Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs]
1.	Corporation Bank, Berhampur	Term Loan I	4.35	-	4.35
2.		Term Loan II	1.21	-	1.21
3.		Term Loan III	1.62	-	1.62
TOTAL INR Seven Crores and Eighteen Lakhs only					7.18



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.

About Brickwork Ratings: Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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 reason.