Brickwork RATINGS
for Informed Investment Decisions

Rating Rationale

Brickwork Ratings assigns 'BWR BB-' for the Bank Loan Facilities aggregating ₹7.90 Cr of Academy Of Higher Education.

Brickwork Ratings (BWR) has assigned the following **Rating**[1] for the Bank Loan Facilities of ₹.7.90 Cr of Academy Of Higher Education **('The Society').**

Bank Facility	Present Limits (₹ Cr)	Tenure	Rating
Term Loan	7.90	**Long Term** (Fund Based)	**BWR BB-** (Pronounced BWR Double B Minus) **Outlook: Stable**
Total	**7.90**	**INR Seven Crores & Ninety Lakhs only**	

BWR has primarily relied upon the audited financials of FY15, publicly available information and the information/clarifications provided by the Society.

The rating factors in the experience of the members of governing body, adequate infrastructure facilities, and diverse courses of educational system of the college, Running Educational Institutions for the past 97 years having a very good standing in the Academic Circle.The Status of College with Potential for Excellence on the College in 2010.by UGC, low gearing and comfortable corpus fund. However, the rating is constrained by modest income, stress on gross enrolment ratio, reduced net surpluses,stiff competition in the industry and regulatory risks associated with the educational Societies.

Background:

The National College Council (Parent Body) registered in 1909, Trichy was trifurcated in to other societies. Viz, Saranathan Academy of Higher Education, Academy of Higher Education and National College Council in the year 2003.

Academy of Higher Education Society is a registered society, formed on 1st March 2004, in Tiruchirappalli The society is efficiently managing the administration of the National College, which was founded in June, 1919 and Sesha Iyengar Memorial School (Govt Aided School) founded in 1930.

The National College offers fourteen Post-Graduate Programmes and eighteen Under-Graduate Programmes. The college has been recognised as one of the Centres of Advanced Learning and has been accorded permission for registering candidates for research leading to the award of PhD in twelve departments and M.Phil. in ten departments. The College was Re-accredited by National Assessment and Accreditation Council (NAAC) at 'A' Grade in 2011.

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

The University Grants Commission, New Delhi, conferred Autonomous status on the college in 2010. There are 250 teaching and 97 Non-Teaching staff working in the college. About 3700 students are studying in the College. College has facilities like Library with 10,000 books, Hostel, Transportation and computer lab. The college has future plans of introducing new courses like MA in Yoga, MA in Geology and MBA programme in June 2016.

Shesha Iyengar Memorial Higher Secondary School is also a part of Academy of Higher Education Trust which has 85 years of History and providing education service from 6^{th} standard to II PUC. And has 42 Teaching Staff, 8 non teaching staff and 600 students.

Financial Performance:
As per audited FY15 financials, the income -revenues reported at Rs.3.86 Crores and The society has reported a corpus fund of Rs.17.57 Crores. Society has reported low gearing level 0.49X in FY15 and Improvement in financial leverage ratio reflected in gearing ratio 0.52X in FY15. The society has adequate liquidity coupled with current ratio of 3.05X in FY15.

Rating Outlook:
The outlook of the society for the next one year is expected to be stable. Going forward, ability of the society to increase student enrolment, increase the income base, get the grants in time, establish further in a highly competitive environment, prompt implementation of the future plans and prompt debt servicing would be the key rating sensitivities.

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