

Press Release

Brickwork Ratings assigns long-term rating of BWR BBB for the Bank Loan Facilities aggregating Rs. 14.99 Crores of Adesh Welfare Society

Brickwork Ratings has assigned the following ratings¹ to the Bank Loan Facilities aggregating Rs. 14.99 Crores of Adesh Welfare Society.

Facility	Limits* (Rs. Crore)	Tenure	Rating
Fund Based:			
Term Loan - I	0.625	Long Term	BWR BBB (Outlook: Stable)
Term Loan - II	0.385		
Term Loan - III	11.98		
OD Limit	2.00		
TOTAL	14.99	Rupees Fourteen Crores and Ninety Nine Lacs Only	

* Aggregate outstanding as of March 31, 2013 stood at Rs. 14.67 Crores

The rating has factored, inter alia, experience of the promoter group, growth of top line, commencement of courses under the newly setup technology institute which expected to boost top line and financial profile marked by low debt-equity ratio and robust operating profit margins. However, AWS's limited geographical diversity, competitive nature of the education sector, recognition for various courses offered through newly set up Adesh Institute of Technology and its ability to attract students will be critical to ensure seat capacity utilization. Further, higher depreciation and interest expenses have impacted AWS's Net Profit during FY13.

Company Profile

Adesh Welfare Society (AWS) is a part of the Adesh Group that has presence in the health sector of Punjab since 1991. The Society is promoted by Dr. Harinder Singh Gill and his family members who are well qualified and have experience in the field of medicine and management. AWS, through four institutions operating under its aegis, offers courses in nursing, physiotherapy, para-medical sciences and engineering.

AWS's turnover has grown by 11.5% during FY12 from Rs. 7.65 Crores in FY11 to Rs. 8.53 Crores in FY12. Net Profit increased by about 29% as expenses (excluding Depreciation and interest) increased by only 4.68% during the year. As per Provisional results of FY13, turnover of AWS increased to Rs. 10.39 Crores. PAT for FY13 however declined to Rs. 0.33 Crores due to higher depreciation and interest expenses.

¹ Please refer to BWR website www.brickworkratings.com for definition of the ratings assigned.

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