

## Press Release

### Brickwork Ratings assigns 'BWR BBB' for the Bank Credit Facilities aggregating ₹ 10.98 Cr of Aditya Academy

Brickwork Ratings (BWR) has assigned the following **Rating<sup>1</sup>** for the Bank Credit Facilities of Aditya Academy.

| Facility  | Amount Sanctioned (₹ Cr) | Amount Outstanding (₹ Cr) | Tenure    | Rating   |
|---|--------------------------|---------------------------|-----------|--|
| Over Draft (Fund Based)   | 1.40                     | 1.40                      | Long Term | <b>BWR BBB</b><br>(BWR Triple B)<br><br><b>Outlook: Stable</b> |
| Term Loans (Fund Based)   | 14.44                    | 9.58                      |           |  |
| <b>TOTAL ₹ 10.98 Cr Rupees Ten Crores Ninety Eight Lakhs only</b> |                          |                           |           |  |

The rating has factored, inter alia, the experience of the members in educational Society, the demand for courses offered by various institutions under the Society, low debt equity, high gross enrollment ratio and healthy profit margins. The rating is, however, constrained by high competition in the industry, regulatory risks associated with the educational institutions with respect to code of conduct, enrolment, etc. and maintaining quality and sourcing quality teaching staff will prove to be critical factors

#### Background of the Company:

Aditya Academy was established as an educational society in the year 1984 in Kakinada, Andhra Pradesh. The President of the Aditya Academy is Mr. N. Sesha Reddy (founder of Aditya Academy), Vice – President is Sri N. Satish Reddy and Secretary is Sri P. Bhaskara Reddy. The Society has established and is operating 30 educational institutions in Andhra Pradesh. Aditya Academy has started with a public school confining primary and secondary education. In succession, Aditya Academy established a number of Junior Colleges, Degree Colleges, PG Colleges, Engineering Colleges, Pharmacy Colleges, and Nursing Colleges.

Aditya Academy is providing education from LKG to PG level and has 2000 employees and 36500 students are studying in its various constituent schools and colleges. Aditya Academy runs 6 public schools, 6 degree colleges, 8 junior colleges and PG colleges.

#### Financials:

Aditya Academy's financial performance is marked by adequate net worth of Rs. 49.93 Cr in FY12, which has increased from Rs. 41.15 Cr reported in FY11. Operating Profit Margin

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Rating

averaged at ~27% for the past 3 years. Total Debt / Tangible Net worth stood at 0.21 times in FY12. Interest and Debt coverage metrics stood at comfortable levels of 12.26 and 5.97 respectively for FY12.

|  |  |
|--|--|
| <a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a> | <a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>       |
| <b>Phone</b>   | <b>Media Contact</b>   |
| <b>1-860-425-2742</b>  | <a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a> |

**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.