

RATING RATIONALE

6 May 2020

Akbar Educational Trust

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of ₹12.76 Crores of Akbar Educational Trust based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (March, 2019)	Present
Fund Based	12.76	12.76	Long Term	BWR BB- (Stable)	BWR B+ (Stable) Issuer Not Cooperating* (Downgraded)
Total	12.76	12.76	INR Twelve Crores and Seventy Six Lakhs Only		

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

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

Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The rating of the Bank Loan Facilities of the trust has been downgraded to BWR B+ (Stable) under the 'Issuer Not Cooperating' category.

BWR assigned the initial rating of BWR BB- (Stable) on 30th March, 2019. The rating was due for review in March, 2020. BWR took up with the issuer consistently to provide required information over emails apart from telephonic communications. BWR was unable to reach its bankers, the banker's feedback regarding the conduct of account is not available. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the trust, BWR is unable to assess the entity's financial performance and its ability to service its debt. The rating downgrade also takes into account the non submission of No Default Statement by the trust for several months.

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 required information for a review of the assigned rating may also be accompanied by financial stress.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	2018	2017
Result Type		Audited	Audited
Operating Revenue (Receipts)	₹ Cr	5.70	4.90
EBITDA	₹ Cr	2.84	2.70
PAT	₹ Cr	0.33	0.97
Tangible Net worth Analysed (Corpus)	₹ Cr	8.50	8.08
Total Debt/Tangible Net worth Analysed	Times	1.21	1.19
Current Ratio	Times	2.27	57.64

TRUST PROFILE [As available with BWR]

Akbar Educational Trust ('AET' or 'The Trust') was established on 1st August 2014, in the state of Jammu and Kashmir. The trust runs one school under the name of Doon International School (DIS). DIS Srinagar is a franchisee of Doon International School, Dehradun and both are run by separate trusts. DIS is affiliated with CBSE board and classes from nursery to 12th grade. Due to the geopolitical conditions prevailing in the state, the school operators at an average of 10-15 days per month. In case the courses are incomplete, extra lectures are arranged during winter breaks and telephonic conference calls are set up between a class of students and teachers.

NON-COOPERATION WITH PREVIOUS RATING AGENCY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	30th March 2019	2018	2017
Fund Based	Long Term	12.76	BWR B+ (Stable) Issuer Not Cooperating (Downgrade)	BWR BB- (Stable)	NA	NA
Total		12.76	INR Twelve Crores and Seventy Six Lakhs Only			

COMPLEXITY LEVELS OF THE INSTRUMENTS

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

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [What constitutes Client Non Co-operation](#)

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ANNEXURE I

Akbar Educational Trust

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Total [₹ Cr]
1	J & K Bank	Term Loan 1	4.34	4.34
2		Term Loan 2	3.60	3.60
3		Term Loan 3	1.92	1.92
4		Term Loan Proposed	2.00	2.00
5		Cash Credit	0.90	0.90
TOTAL				12.76

Total Rupees Twelve Crores and Seventy Six Lakhs Only.

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