



Rating Rationale

All India Bright Career Education Society

21 November 2017

Brickwork Ratings assigns ratings for the Bank Loan facilities aggregating Rs. 7.76 Cr of All India Bright Career Education Society

Particulars:

Facility	Amount Rated(Cr)	Tenure	Rating Assigned
Fund Based			BWR B+(Pronounced as BWR Single B Plus)
Term Loan	7.76	Long Term	Outlook: Stable
Total	7.76		INR Seven Crore Seventy Six Lakh Only

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results of upto FY17 and projections upto FY-19 publicly available information and information/ clarifications provided by the society. The rating draws comfort from the experience of the Governing Body in Educational Services and Increase in Enrollment. The rating is however, constrained by Negative Surplus Margins, Low Tangible Networth and High Gearing Level.

Key Rating Drivers

Credit Strengths

- **Experienced Governing Body** – The Governing Body of the Society have extensive experience in the field of educational services.
- **Increase in Enrollment** – Society has witnessed increase in enrollment of students. In FY-17 total number of students increased to 329 as against 75 in the FY-16.

Credit Weakness

- **Negative Surplus Margin:** Due to Initial stages of operations Society has reported Deficit of Rs 1.19 Cr for FY-17 which had negative impact on Tangible Networth.
- **Low Tangible Networth:** Tangible Networth as on 31.03.2017 was reported Rs 2.59 Cr which is considered Low.



- **High Gearing Level:** Gearing Level (TOL/TNW) as on 31.03.2017 was 3.32X which is considered High.

Rating Outlook: Stable

BWR believes the All India Bright Career Education Society business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case there is a sustained improvement in the receipts and surplus of the society. The rating outlook may be revised to 'Negative' if the receipts go down and surplus margins show lower than expected figure.

About the Society

The Society, All India Bright Career Education Society, was formed on 10th December,1996 with an objective to start, establish, run, manage and maintain schools and colleges throughout India.

Currently, The society is running school named Sahaj International School located at Indirapuram Ghaziabad. The School was Completed in 2015 and it is operational since October, 2015.

Sahaj International School is an English Medium School from Class Nursery to VIII with facilities like Games & Sports, School Library, Co-Curricular Activities, Computer Labs and Transport.

Society Financial Performance

Key Parameters	Units	FY-16(Audited)	FY-17(Audited)
Operating Receipts	Cr	1.26	1.96
OSBITDA	Cr	1.08	1.48
Tangible Network	Cr	1.92	2.59
D/E (TOL/TNW)	Times	4.84	3.32
Current Ratio	Times	2.20	0.10
Net Surplus	Cr	-0.55	-1.19

Status of non-cooperation with previous CRA: NA

Rating History for the last three years (including withdrawn/suspended ratings):

Facility	Amount Rated(Cr) 2017	Tenure	Rating Assigned	2016	2015	2014
Fund Based			BWR B+(Pronounced as BWR Single B Plus)			
Term Loan	7.76	Long Term	Outlook: Stable	NA	NA	NA
Total	7.76	INR Seven Crore Seventy Six Lakh Only				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives



in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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