

Rating Rationale

Anand Swaroop Arya Saraswati Vidya Mandir

31st October, 2017

Brickwork Ratings assigns ratings for the long term bank loan facilities of Anand Swaroop Arya Saraswati Vidya Mandir

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Assigned rating
<u>Fund Based</u>			
Term Loan (1)	3.93	Long Term	BWR BB (Pronounced as BWR Double B) Outlook : Stable
Term Loan (2)	1.00		
Term Loan (3)	1.60		
Total	Rs 6.53 Crores (INR Six Crores and Fifty Three Lakh Only)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

While assigning the rating of Anand Swaroop Arya Saraswati Vidya Mandir (ASASVM or 'the Society'), BWR has factored in the Society's comfortable gearing ratios, high profitability margins, debt protection metrics, and availability of necessary infrastructure. The Society operates a senior secondary school at Roorkee the school is affiliated to CBSE. However, the rating is constrained by small scale of operations and small corpus base.

Key Rating Drivers

Credit Weakness

- The rating is constrained by small scale of operations with revenues of Rs. 8.01 crores with net surplus of Rs. 2.20 crores in FY17.
- Small corpus base of Rs. 14.65 crores in FY17.

Credit Strengths:

- Bank loans are adequately collateralized.
- Comfortable Gearing Ratio (TOL/Corpus) at 0.52 times
- Comfortable debt service indicators with interest service coverage ratio (ISCR) of 3.57x and debt service coverage ratio (DSCR) of 1.56x in FY17.
- Satisfactory liquidity position with current ratio of 2.42x in FY17.
- Comfortable net profit margin of 27.42% in FY17.
- Nil days Receivables and Days Payables in FY17.

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Rating Outlook: Stable

BWR believes the Anand Swaroop Arya Saraswati Vidya Mandir *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 the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

Analytical Approach

BWR has factored in the standalone business parameters and financial risk profile of the Society to arrive at the rating. Reference may also be made to the Rating Criteria hyperlinked below.

About the Company

Anand Swaroop Arya Saraswati Vidya Mandir was incorporated in 1996. The society runs Senior Secondary Public School Situated at NH58, Delhi Road, Roorkee, Uttarakhand, The school is affiliated with CBSE and follows the NCERT Syllabus according to CBSE curriculum.

Company Financial Performance

Total Receipts improved from Rs 7.55 Cr in FY16 to Rs 9.67 Cr as per FY17 unaudited financial data and net surplus increased from Rs 1.95 Cr in Fy16 to Rs 4.34 Cr as per FY17 unaudited financial data.

Key Financial Ratios

	FY16	FY17
Total Receipts	Rs 7.08 Cr	Rs 8.01 Cr
EBIDTA	Rs 1.82 Cr	Rs 3.04 Cr
Net surplus	Rs 1.18 lakhs	Rs 2.20 Cr
Corpus	Rs. 12.46 Cr	Rs. 14.65 Cr
Total Debt : Corpus	0.62 times	0.52 times
Current Ratio	3.45 times	2.42 times

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

S.No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History	
		Type	Amount (Rs Crs)	Rating	2016	2015
1.	Term Loan (1) Term Loan (2) Term Loan (3)	Long Term	3.93 1.00 1.60	BWR BB Outlook : Stable	NA	NA
			Rs 6.53 Crores (INR Six Crores and Fifty three Lakhs Only)			

Status of non-cooperation with previous CRA (if applicable) – Care Ratings- Issuer Not Cooperating; 26 Sept 2017

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Any other information - NIL

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach To Financial Ratios](#)
- [Services Sector](#)
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For print and digital media

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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.

DISCLAIMER

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