



Rating Rationale

Ankush Shikshan Sanstha

27 Dec 2017

Brickwork Ratings assigns the rating for the Bank Loan Facilities of Rs. 19.00 Cr of Ankush Shikshan Sanstha.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating
	Present		Present
Fund Based	19.00	Long Term	BWR BB- (Pronounced as BWR Double B Minus) Outlook : Stable Assigns
Total	Rs. 19.00 Crores (Rupees Nineteen Crores Only)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating has factored, inter alia, the extensive experience of the trustees and members of the governing body in the education sector; over two decades of operations of Ankush Shikshan Sanstha with 6 colleges under its umbrella, diverse courses being offered by the colleges. However the rating is constrained by its moderate financial profile and exposure to regulatory risks associated with educational institutes.

Analytical Approach:

To arrive at the rating, BWR has taken standalone view on Ankush Shikshan Sanstha.



Detailed description of the key rating drivers

Key Rating Strengths

Extensive experience of the trustees and governing body:

The operations of the trust benefits from the vast experience of the trustees and governing body in the development of infrastructure, course offerings and the increase in student base over the years of operation.

Diverse courses being offered:

The institutes under Ankush Shikshan Sanstha offers graduate and post-graduate courses in law, technical and management education by six colleges under its umbrella. All the courses offered are compliant with the operational and infrastructure norms laid down by the regulatory bodies

Key Rating Weaknesses

Moderate financial profile

The entity has reported deficit of income over expenditure continuously for the past three years. This has reduced the net corpus fund over the years. However there has been an increase in the other earmarked funds such as depreciation fund, student welfare fund, research and development funds etc: over the years by which the smooth conduct of operations of the trust has been ensured.

Exposure to regulatory risks associated with educational institutes:

The courses offered have to comply with the norms set by various regulatory bodies such as All-India Council for Technical Education (AICTE), University Grants Commission (UGC), the state government, and affiliated universities. Thus, there is a need for the the trust to regularly invest in its workforce and infrastructure as per the prescribed norms. Any non-compliance could result in the withdrawal of the acquired affiliation or approval. Also the regulated nature of the education sector restricts any substantial increase in revenue.

Rating Outlook: Stable

BWR believes the entity's 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 outlook may be revised to 'Positive' if the entity reports sustained improvement in its income. Conversely, the outlook may be revised to 'Negative' if the group's financial risk profile deteriorates and its income level declines.



About the Company

Ankush Shikshan Sanstha, a registered Public Charitable Trust exempted under the provisions of Section 10(23C)(vi) of the Indian Income Tax, 1961, was established in 1996. The institute was then named Ankush Shikshan Sanstha's College of Engineering. In 1998, it was renamed as G H Rasoni College of Engineering which became the flagship institute under the umbrella of Rasoni Group Of Institutions. The institute became autonomous in 2010 for a period of six years till 2016 and UGC has renewed autonomous status till 2022. The institute has been given grant under Technical Education Quality Improvement Programme under two phases with the World Bank assistance.

The institutes which are run by Ankush Shikshan Sanstha are G. H. Rasoni Institute of Information Technology, G.H. Rasoni Polytechnic, G.H. Rasoni Academy of Engineering and Technology, G.H..Rasoni Institute of Engineering and Technology, G.H. Rasoni College of Engineering & G.H. Rasoni Law School. Some of the courses which are run in these institutes are BBA, MBA, BCA, MCA, BE, ME, 3yr LLB. 5 yr LLB etc:

Present management committee of Ankush Shikshan Sanstha constitutes Mr. Sunil G Rasoni as President, Mrs. Shobha G Rasoni as Secretary and Mr. Shekhar G Rasoni as Treasurer.

Company Financial Performance

In FY17 the entity has an income of Rs. 69.74 Crores as against Rs. 69.70 crores in FY 16. The entity has reported an excess expenditure over income of Rs 26.16 Crores in FY17 and Rs 18.31 Crores in FY16 respectively. The corpus fund of the trust stood at Rs -30.75 Crores as on March 31,2017. However as per management the deficit is financed through reserves such as research and development funds which ensures the comfortable debt and interest service.

Key Financial Ratios

Amounts in Rs. Cr.	FY 15-16	FY 16-17
Net Income	69.71	69.75
Deficit of Income over Expenditure	18.31	26.16
Corpus Fund	-4.51	-30.75
Research & Development Fund	31.91	49.25
Current Ratio	0.69	0.73



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

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Secured Overdraft	Long Term	19.00	BWR BB- (Outlook: Stable) Assigns	-	-	-
Total			Rs 19.00 Crores (Rupees Nineteen Crores Only)				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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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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