



RATING RATIONALE

28 Oct 2020

Assembly of God Church School

Brickwork Ratings downgrades the rating for the Bank Loan Facilities aggregating Rs.7.83 Crs. of Assembly of God Church School (“AGCS” or the school) while retaining the rating in the “Issuer Not Cooperating” category based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under:

Facilities*	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous (Aug. 2019)	Present
Fund based	7.83	7.83	Long Term	BWR BB- (Stable) Reaffirmed Issuer Not Cooperating**	BWR B+ (Stable) Downgraded Issuer Not Cooperating**
Total	7.83	7.83	Rupees Seven Crores and Eighty Three Lakhs Only		

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

* Details of Bank facilities are provided in Annexure-I

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

RATING ACTION / OUTLOOK

Brickwork Ratings has **downgraded** the rating for the long term bank loan facilities of Rs. 7.83 Crs of Assembly of God Church School from BWR BB-(Stable) to **BWR B+(Stable)**, while retaining the rating in the “**Issuer not Cooperating**” category, based on best available information as the issuer did not cooperate.

NATURE OF NON-COOPERATION

The initial rating of the school was done on 2 November 2016 and a rating of BWR BB (Stable) was assigned for bank loan facilities of Rs. 8.00 crs. The rating was downgraded to BWR BB-(Stable) on 8 January 2018 for reduced bank loan facilities of Rs. 7.83 crs. Due to lack of cooperation from the issuer despite continued follow up to enable us to carry out a review, the rating was reaffirmed and moved to “Issuer Not Cooperating” category in August 2019. BWR once again took up with the school and its banker recently, over emails and through telephone calls, to provide the required information. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity and its banker have not provided the



same, nor have they shared the latest financials of the school. The school has not been regular in submitting the No Default Statements.

In the absence of managerial cooperation on the part of the school to provide adequate information about itself, and on account of its irregular submission of the NDS, BWR is unable to assess the school's financial performance or its ability to service its debt and maintain a valid rating. Accordingly, the rating is retained under “**Issuer Not Cooperating**” category. The rating **Downgrade** is based on the lack of up to date feedback on the school - either from the school itself or from its lenders.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non transparency and withholding of the information required for a review of the rating.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR in January 2018]

Key Financial Indicators	Units	FY17	FY16
Result Type		Audited	Audited
Operating Revenue	₹ Crs	6.22	6.33
OSBITDA	₹ Crs	(0.36)	0.72
Net Surplus	₹ Crs	(0.11)	0.72
Capital Fund	₹ Crs	6.91	4.89
Total Debt/Capital Fund	Times	1.10	0.00
Current Ratio	Times	1.94	2.94

SCHOOL's PROFILE (Information as available in January 2018)

The Assembly of God Church School, Asansol was established in 1963 by Rev. Willis. G. Long. The School is under Assemblies of God of North India – a society who also established two other schools in the name of Assembly of God Church, Sodepur and Ukhra. At present, the school has a strength of around 2000 students comprising only girls and classes upto 10th standard under ICSE Board. Due to demand for admission in higher classes, the management has decided to construct a new school building on a plot of land at Kalyanpur Housing, covering an area of 2.18 acres. This plot of land has been purchased from Asansol Durgapur Development Authority on 99 years lease. As per the discussion with the management, the project has not been

completed yet. As against the COD of April 2017, it is expected to be completed by the month of December. AGCS also have received +2 affiliations from ISC Council, Delhi.

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

S. No	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years along with outlook/watch, if applicable				
		Type	Amount Outstanding (₹ Crs.)	Rating	Date(s) & rating(s) assigned in year 2019		Date(s) & rating(s) assigned in year 2018		Date(s) & rating(s) assigned in year 2017
1.	Bank Loan Facility	Fund Based-Long Term	7.83	BWR B+ (Stable) Downgraded Issuer Not Cooperating**	09.08.19 F B 7.83 BWR BB- (Stable) Reaffirmed Issuer Not Cooperating**		08.01.18 F B 7.83 BWR BB- (Stable) Downgraded Downgraded for reduced amount		-
Total			7.83	Rupees Seven Crores and Eighty Three Lakhs Only					

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

The initial rating of the school was on 2 Nov. 2016 and the rating assigned was BWR BB(Stable).

Rating migrated to “Rating Not Reviewed” on 9 Apr. 2019.

COMPLEXITY LEVELS OF THE INSTRUMENTS

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



Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- What Constitutes Non- Cooperation

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ANNEXURE I

Assembly of God Church School Details of Bank Loan Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs,]
1.	Bank of Baroda	Term Loan	7.83	-	7.83
TOTAL Rupees Seven Crores and Eighty Three Lakhs only					7.83

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BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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