

## Rating Rationale

### Brickwork Ratings assigns 'BWR BB' to the Bank Loan Facilities of Assembly of God Church School, Asansol aggregating ₹ 8.00 Cr

Brickwork Ratings has assigned the following **Rating**<sup>1</sup> to the Bank Loan Facilities of Rs. 8.00 Crs of Assembly of God Church School, Asansol ('AGCS'):

Facility	Limit (₹ Cr)	Tenure	Rating
Fund Based Term Loan	8.00	Long Term	<b>BWR BB</b> (Pronounced as BWR Double B) Outlook: Stable
<b>Total</b>	<b>8.00</b>	<b>INR Eight Crores Only</b>	

BWR has principally relied upon the audited financial results up to FY16, projected financials of FY17 to FY22, publicly available information and information/clarification provided by the management of the institute.

The rating has factored, inter alia, the long standing experience of the management in the field of education, established brand name of the school, adequate and well-experienced teaching staff members, consistent growth in revenue and decent profit margins. Moreover, at present the school is operating at full capacity and to accommodate more students new school building is being constructed which is expected to become operational from Academic Session 2017-18. The rating is, however, constrained by modest scale of operations, high competition, project implementation risk and susceptibility to change in regulation in the education sector.

### Background

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 strength of around 2000 students comprising only girls and classes upto 10<sup>th</sup> 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.

The total cost of the project is estimated to be Rs. 13.38 Crores. The school is expected to become operational from April'2017.

### Management

The Board members of the school have good experience in the field of education. Dr. P.C.Samuel is the present Chairman of the school.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

## Financial Performance

AGCS has reported Net surplus of Rs. 0.72 Crore on total operating income of Rs. 6.33 Crores in FY16 against Net Surplus of Rs. 0.81 Crore on total operating income of Rs. 5.46 Crores in FY15.

## Rating Outlook

The outlook of the Institute is expected to be stable in the near term. Going forward, its ability to improve its scale of operations, timely completion of new project without time and cost overruns, manage competition effectively, achieve projected occupancy levels and the ability to service its debt obligations in timely manner shall remain the key rating sensitivities.

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