

Rating Rationale

Brickwork Ratings assigns the rating 'BWR BBB' to Bank Loan Facilities aggregating ₹35.55 crores of Association Of Management Studies.

Brickwork Ratings has assigned the following **Ratings¹** to the Bank Loan Facilities aggregating ₹35.55 crores of **Association Of Management Studies** sanctioned by Punjab National Bank, Axis Bank and Yes Bank.

| Facility | Limits (₹ Crores) | Tenure | Rating |
|--------------|----------------------|---|--|
| Overdraft | 6.00 | Long Term | BWR BBB (Pronounced BWR Triple B) (Outlook-stable) |
| Cash Credit | 25.00 | | |
| Term Loan 1 | 1.34 | | |
| Term Loan 2 | 3.21 | | |
| Total | 35.55 | INR Thirty Five crores Fifty Five Lakhs only | |

BWR has principally relied upon the audited financial results up to FY15, provisionals of FY16, projections of FY17 and the publicly available information and information/clarifications provided by the society's management.

The rating, factors in the long existence of the educational society, low gearing with strong debt protection metrics its broad based offering of education from school to college and post graduate discipline, ability to generate healthy surplus y-o-y and overall above average financial risk profile. The ratings are however constrained by the fact of geographic concentration risk of having its institute based in only 2 locations (Meerut and Noida), it being exposed to the regulatory risks, intense competition from other players providing modern education with latest technology and decline in ROCE in FY15 due to increased operating expenses with no corresponding increase in revenues however, it is offset by increased revenue in FY16 (as per provisional financials).

Background:

The registered society "Association Of Management Studies"(AMS) was formed by 7 rotarians in the year 1994 in Meerut, U.P with an aim to impart quality management and technical education.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

AMS is registered under the society's Registration Act 21 of 1860. The society laid the foundation of IIMT Group of Colleges in the year 1994 in Meerut, U.P. IIMT as a group is large, diversified and imparts knowledge in the field of engineering, management, medical sciences, hotel management, nursing, education, law etc. The IIMT group has totally 5 campuses out of which 4 are in Meerut and 1 is in Greater Noida. There are totally 17 colleges and 1 school run by the society. The IIMT group has been dedicated towards providing quality professional education through well-accredited courses, seminars, conferences, guest lectures, Industrial visits and excellent academic facilities. The IIMT has got more than 1330 highly experienced and qualified faculty members in their respective functional areas.

Management Profile:

The main members of the society are Mr. Yogesh Mohan Gupta, the chairman, Mr. Abhinav Agarwal, the secretary General, Mr. Ram Kumar, the secretary and Mr. Mayank Agarwal, the treasurer cum joint secretary.

Financial Performance:

During FY15, the total receipts of the society was ₹86.29 crores. for FY15. The corpus fund reported was ₹82.89 crores as at 31st March, 2015. According to the provisionals of FY16, the total receipts have increased to ₹94.04 crores from the previous year.

Rating Outlook:

Going forward, the ability of the society to improve enrolment in its institutions, sustain surplus ratio and receipts withstanding competition and regulatory requirements will be the key rating sensitivities.

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