

Rating Rationale

Brickwork Ratings reaffirms ‘BWR AAA’ rating for Bank Loan facilities of ₹20.00 Crs for Azim Premji Foundation (APF) and ₹ 20.00 Crs for Azim Premji Foundation for Development (APFD).

Brickwork Ratings (BWR) reaffirms ‘BWR AAA’ (BWR Triple A) **Outlook: Stable Ratings**¹ for the Bank Loan Facilities of Azim Premji Foundation (APF) and Azim Premji Foundation for Development (APFD).

BWR has essentially relied upon the audited financial results of APF and APFD upto FY16, publicly available information and information/clarifications provided by the management.

The rating reflects the funding model and regular infusion of funds for APF and APFD, financial support from financial support from Azim Premji Philanthropic Initiatives Private Limited, Azim Premji Trust and Pioneer Independent Trust, social objectives of the two organisations and consistent increase in student intake as well as faculty strength at the Azim Premji University as well as Azim Premji Schools. The rating is constrained by regulatory risks that exist in the Education sector.

Background:

APF and APFD are not-for-profit organizations incorporated under Section 8 of the Companies Act, 2013 (formerly u/s 25 of the Companies Act, 1956) with a view to facilitate a just, equitable, humane and sustainable society. The organizations work through a network of institutions such as Azim Premji University, Azim Premji Field Institutes and Demonstration Schools.

Azim Premji Foundation for Development (APFD) was established in the year 2009; the organization is engaged in the activity of social service in the field of education. The directors are Mr Azim Hasham Premji, Mrs Yasmeen Azim Premji and Mr Tariq Azim Premji.

Azim Premji Foundation (APF) was established in the year 2001. It shares the same social objectives of APFD. The directors of the organization are Mr Azim Hasham Premji, Mrs Yasmeen Azim Premji, Mr Rishad Azim Premji, Mr Sharad Chandra Behar, Mr Priya Mohan Sinha and Mr Tariq Azim Premji.

Financial Information:

As per audited financial statements of FY16, APF had a Corpus Fund of Rs. 68.50 Crs and APFD had a Corpus Fund of Rs. 529.57 Crs as on 31st March 2016.

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

Rating Outlook:

The outlook is expected to be stable over the current year. Going forward, the ability of the institutions to further increase student & faculty strength, add new courses, complete the construction of Azim Premji University within the scheduled time and manage regulatory risks associated with the operations of the school will be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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