

Rating Rationale

Brickwork Ratings reaffirms 'BWR AAA' for Bank Loan Facilities of ₹ 20.00 Cr for Azim Premji Foundation & ₹ 20.00 Cr for Azim Premji Foundation for Development.

Brickwork Ratings (BWR) reaffirms 'BWR AAA' (BWR Triple A) **Outlook: Stable Ratings¹** 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 FY14, publicly available information and information/clarifications provided by the management.

The rating reflects the funding model for APF and APFD, strong credit profile of Wipro Limited, social objectives of the two organisations and 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 25 of the Companies Act 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 State & District Institutes, and Demonstration Schools. Azim Premji University now has 537 students and 110 faculty members. The Azim Premji Schools have about 728 children. As per the management, more than 200 students have graduated from the University over the last 2 years and most of them are working at grass root level institutions. The University further plans to introduce UG Programmes and add two new PG programmes.

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 Premji and Mrs Yasmeen Premji.

Azim Premji Foundation (APF) was established in the year 2001 and manages all back office support functions for APFD. It shares the same social objectives of APFD. The directors of the organization are Mr Azim Premji, Mrs Yasmeen Premji, Mr Rishad Premji, Mr Sharad Chandra Behar, Mr Narayan Vaghul and Ms Priya Mohan Sinha.

Financial Information:

Azim Premji Trust (APT) holds 17.42% of shares and Azim Premji Foundation (I) Private Limited (APFPL) holds 0.44% of shares in Wipro Limited as on 31st March 2014. APFD and

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

APFPL are the sole beneficiaries of APT. APFD receives funds from APT while APF receives funds from APFPL to fund their operations.

As per audited financial statements of FY14, APF had a Corpus Fund of ₹ 68.50 Cr and APFD had a Corpus Fund of ₹ 255.51 Cr as on 31st March 2014.

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, completion of 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.

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