

Rating Rationale

Brickwork ratings reaffirms 'BWR BB+' ratings for the Bank Loan facilities aggregating ₹10.94 Crores of Gnyana Mandir Trust (the 'Trust').

Brickwork Ratings has reaffirmed the **Ratings¹** for Bank Loan facilities of Gnyana Mandir Trust.

Facility	Previous Limits (₹ Crores)	Present Limit (₹ Crores)	Tenure	Previous Rating (March 2014)	Present Rating
<u>Fund Based</u>					
Term Loan*	10.00	9.19	Long Term	BWR BB+ (Pronounced BWR double B plus) (Outlook: Stable)	Reaffirmed at BWR BB+ (Pronounced BWR double B plus) (Outlook: Stable)
Cash Credit	-	1.75			
Total	10.00	10.94	INR Ten Crores and Ninety Four lakhs Only		

**Term loan outstanding as on 31 March 2016*

BWR has principally relied upon the audited financials of upto FY15, projections upto FY17 and publicly available information and information/clarifications provided by the trust's management.

The rating factors, inter alia, experienced and qualified trustees, popularity of the institution in the locality and past financial performance of the Trust, healthy corpus fund, favourable operating and net surplus, experienced and qualified faculty, satisfactory infrastructure and enrollment ratio, moderate financial risk profile. However, the ratings are partially offset by modest gross receipts, competition from established and upcoming schools and regulatory risks associated with educational sector.

Background:

The Gnyana Mandir Trust was established by Mr. K V Ashwathnarayan in 1979. The Trust runs a school & a PU College under the name "Sudarshan Vidya Mandir" (SVM) in Bangalore. The institute offers various courses in the category of Pre-primary, State Board, ICSE, CBSE and Pre-university. SVM is situated in Jayanagar and Jigani-Hobli, Bangalore and the campus is well equipped with modern classrooms, seminar halls, laboratories, library and computer centres.

Management Profile

The Trust is presently under the leadership of Mrs. Hema Narayan who is serving as the Managing Trustee and the Principal.

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

She has completed courses related to Education & Leadership at Harvard University. She has been working in the field of education for nearly 3 decades. She has been on the Board of the Sarva Shikshana Abhiyana – A Central Government Body dealing with Education in India. She is ably assisted by a support team of qualified persons.

Financial Performance:

SGT reported increase in gross receipts to ₹13.96 crores in FY15 from ₹12.11 crores in FY14. The Surplus before Interest and Depreciation (SBID) has increased to ₹3.03 crores in FY15 against ₹2.38 crores in FY14. The net surplus has marginally decreased to ₹2.21 crores in FY15 against ₹2.22 crores in FY14. The trust has reported a corpus fund of ₹23.67 crores as on FY15.

Rating Outlook:

The outlook is expected to be stable over the current year. Going forward, the ability of the trust to increase the student enrollment levels, maintain profitability and retain the good brand image 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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