

HARE KRISHNA MOVEMENT VRINDAVAN

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹.51.35 Crs. of Hare Krishna Movement Vrindavan

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
	Present		Present Rating
Fund Based	51.35	Long Term	BWR BB Stable
Total	51.35	INR Fifty One Crores and Thirty Five lacs only	

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Details of Bank facilities is provided in Annexure-I

RATING ACTION :

BWR has assigned a long term rating of **BWR BB (stable)**

The ratings take into consideration the extensive experience of all the trustees, Current status of the project, decent net worth and Brand Value of Iskcon. However, the rating is constrained by the fact that there is no consistent revenue line as of now, weak financial profile and execution risk associated with the project.

The outlook is stable as the Trust continues to get support from the donors and the support extended by way of unsecured loans by Krishna Lila Park Foundation.

For assigning the rating, BWR has relied upon the last 3 years of Audited Financials till FY19 and projected financials of FY20&FY21, publicly available information and clarification provided by management.

KEY RATING DRIVERS

Rating Strengths:-

Highly Experienced Trustees :- All the trustees are highly qualified and each of them have around 3 decades of experience of handling Social Service Schemes and programmes. All the trustees are full time missionaries of Hare Krishna Movement. Trustees of HKMV (Promoter Trust) who are full time missionaries of Hare Krishna Movement are engaged in running similar activities at other locations.



Decent Net Worth :- The trust' net worth as on 31-03-2020 was Rs. 88.93 Crs.

Current Status of Projects :- Of the total estimated cost of the project of Rs. 149.37 Crs , over 43% of the cost equivalent to Rs. 64.64 Crs has already been incurred as on 15-06-2020. Foundation work of the structure is in progress and 80 % of foundation work has been completed as of now.

Huge Land Bank :- The trust owns vast tracts of land equivalent to around 40.00 Acres in Vrindavan, Mathura, Uttar Pradesh.

Brand Value of Iskcon :- The parent entity of the trust is Iskcon Bangalore which is an established revered institution engaged in carrying forward the mission of Lord Krishna Consciousness along with various other initiatives for social cause. Iskcon's Rajajinagar Complex at Bangalore attracts more than 4 million visitors every year and comprises most of the facilities planned under Experience Centre being constructed in Vrindavan.

Rating Weaknesses:

No consistent Revenue Line:- The trust is majorly dependent on Donations and inflows through various membership schemes and expected revenue from the under construction Experience Center, which will start only after 2022. However, the trust is expected to generate over Rs. 100.00 crs over next 5 years from the sale of plots for construction of villas.

Weak Financial Risk Profile :- The trust has a very small scale of operations as of now with just Rs. 7.47 Crs of TOI in FY19 with 3 consecutive years of reported PAT loss. The ISCR and DSCR for the period stood at -27.60 and -6.13 , respectively.

Execution Risk: Timely execution of the project without cost overrun and time overrun is the key rating sensitivity.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA : BWR has assessed the trust on a standalone basis. Please refer to the applicable criteria at the end.

RATING SENSITIVITIES

Positive: BWR may revise the ratings upward, if the company's Scale of Operations , Net profit , EBITDA improves as compared to the present level.

Negative: BWR may revise the ratings downwards, if the company's scale of Operations , Cash flow from operations , Net profit and EBITDA margins deteriorates .

Liquidity Analysis (Stretched) :- As of now the HKMV does not have a consistent revenue line and the Experience Center under construction will start generating revenue only from the second half of FY23. However, the repayment of loan will also start from FY24 itself and meanwhile, the trust is also expected to generate around Rs. 100.00 crs over next 5 years from the sale of plots for construction of villas.

But ,as of now the trust not only needs to service interest , but also has a substantial cost yet to be incurred towards the ongoing project. So, the liquidity position of the trust has been categorized as "Stretched".



About the Entity:-

M/s. Hare Krishna Movement Vrindavan (HKMV) is a Public Charitable Trust with registered office at Gopal Garh, Chatikara Road, Vrindavan – 281121, Mathura Dist., Uttar Pradesh, established on 26.02.2008. Major activities of trust include Annadana, Feeding widow mothers, Conducting Heritage Fest Cultural Competition for School children, Cultural fest, youth programme, Goshala management, etc.

KEY FINANCIAL INDICATORS (in ₹ Cr)

Key Parameters	Units	2018	2019
Result Type		Audited	Audited
Operating Revenue	₹ Cr	0.84	7.47
EBITDA	₹ Cr	-1.34	-1.67
PAT	₹ Cr	-1.18	-2.43
Corpus Fund	₹ Cr	39.12	88.93
Total Debt /Corpus Fund	Times	0.02	0.40
Current Ratio	Times	0.26	2.90

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED *-There are no Key covenants*

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - Not Applicable

Rating History for last 3 years (including withdrawn/suspended)

S L N o		Instru ment /Facilit y	Current Rating (Aug, 2020)			Rating History		
			Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2019	2018	2017
1	Bank Loan	FB	Long Term	51.35	BWR BB Stable	--	--	--
		Total		51.35	INR Fifty One Crores and Thirty Five lacs only			

Status of non-cooperation with previous CRA (if applicable)- Not Applicable

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services Sector](#)
- [Short Term Debt](#)

Analytical Contacts	Investor and Media Relations
<p>Ankit Dixit Primary Analyst Phone:011-23412232 ,23413896 Extn: 114 ankit.d@brickworkratings.com</p> <p>R K Sharma Senor Director-Ratings Phone:011-23412232 ,23413896 Extn: 104 rksharma@brickworkratings.com</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>

ANNEXURE I

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1)	Canara Bank	Term Loan	51.35	-	51.35
TOTAL					51.35

Total INR Fifty One Crores and Thirty Five lacs only

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