

Rating Report

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 **Ratings**¹ 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).

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

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.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.

The rating favourably considers the following aspects stated below:

Long existence of the society:The society "Association of Management Studies" was established in the year 1994 in Meerut,U.P.

Broadbased Education:The society offers education from school to postgraduate level which includes disciplines like engineering,management,medical sciences,hotel management,nursing,education,law etc.

Low gearing:It has a low gearing of 0.39 times in FY15 coupled with a strong debt protection metrics with DSCR of 2.87 times and a ISCR of 7.09 times.

Healthy Surplus:The society has been able to generate adequate surplus Y-O-Y with a total surplus of ₹9.64 crores in FY15.

Increased Revenue:The society's revenue as per the FY16 provisionals have increased to ₹95.23 crores compared to the last year which was ₹86.29 crores in FY15.

The rating is constrained by the following factors:

Restricted customer base:The society has its institutions based in Meerut and Noida.

Intense competition & regulatory risk:The society faces intense competition from the other players of the same profile with more advanced methods of teaching in the same region and to function according to a set rules and regulations.

Decline in ROCE : The ROCE of the society has declined in FY15 due to high operating expenses.

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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**Association Of Management Studies
Annexure1: Profit and Loss in brief(₹Crores)**

Crores	FY13	FY14	FY15
Result Type	Audited	Audited	Audited
Total Operating Income	88.20	88.15	86.29
Operating Expenses	62.92	63.50	67.18
OPBDIT	25.28	24.65	19.11
Depreciation /Amortization /Impairment	8.60	8.24	9.33
OPBIT	16.68	16.42	9.78
Interest and Finance Charges	3.91	3.57	2.70
OPBT	12.77	12.84	7.09
Non Operating Income(Expenses)	1.47	1.24	2.55
PBT	14.24	14.09	9.64
PAT(Continuing Operations)	14.24	14.09	9.64
PAT	14.24	14.09	9.64

Annexure 2: Balance Sheet(₹Crores)

Crores	FY13	FY14	FY15
Liabilities	Audited	Audited	Audited
Capital Funds	58.72	73.06	82.89
Corpus Fund	44.47	58.97	73.25
Accumulated Fund	14.24	14.09	9.64
Non-current liabilities	44.00	33.99	32.50
Long-Term Borrowings	44.00	33.99	32.50
Current liabilities	47.26	46.90	43.72
Short-Term Borrowings	0.00	0.00	0.16
Trade Payables	3.47	3.55	3.21
Other Current Liabilities	43.80	43.35	40.36
Total Liabilities	149.98	153.95	159.12
ASSETS			
Non-current assets	134.29	137.31	143.13
Net Fixed assets	125.44	126.39	131.36
Non Current Investments	8.86	10.93	11.77
Current assets	15.68	16.64	15.99
Trade Receivables < Six Months	1.94	2.21	2.25
Cash and Cash Equivalents	1.21	2.64	2.07
Other Current Assets	12.54	11.79	11.67
Total Assets	149.98	153.95	159.12