

Press Release

The Akshaya Nidhi Foundation

February 15, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 5.00 Cr. #
Long Term Rating	ACUITE BB- Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuite has reviewed long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) to the Rs. 5.00 crore bank facilities of The Akshaya Nidhi Foundation (TANF). This rating is now an indicative rating and is based on best available information.

TANF was established in May 2014 to serve as a sustainability vehicle for the Akshaya Patra Foundation. The Akshaya Patra Foundation (TAPF) is a charitable trust founded in 2000 under public private partnership model to implement the Mid-Day Meal program of the Central Government. Started in Bangalore, it reaches 1.6 million children across 26 locations in 12 states. The large fleet reaches around 13,000 schools every day. The local recipes serve vegetarian food (without garlic or onion).

The trustees are full time missionaries of ISKCON movement and include Mr. T. V. Mohandas Pai, Ms. Sangita Jindal and Mr. Rajendra Hinduja, among others who hold key positions in the organisation. TANF uses spare capacities of Akshaya Patra kitchens to serve the labour class categories of entities such as Bruhat Bengaluru Mahanagara Palike (BBMP), L&T Construction, TexPort Industries, E-Land Apparel, IRCTC among others at a nominal cost. Akshaya Nidhi plans to set up an independent Social Enterprise trust and has no common trustees with Akshaya Patra.

Akshaya Nidhi pays fair value rentals to Akshaya Patra for use of its fixed infrastructure on lease. The Akshaya Nidhi Foundation (TANF) operates out of Bangalore (35,000 persons per day) and Gurgaon (15000 persons per day). The Akshaya Nidhi Foundation (TANF) has about 45 employees on its payroll. The flagship programme of Akshaya Nidhi is the lunch programme for the poura-karmikas (civic workers) of the Bruhat Bengaluru Mahanagara Palike (BBMP). About 32,000 hot meals are served daily under this programme. Besides, the entity has tied up with corporates such as Cisco, Genpact and Nutanix as part of the 'eat-for-a-cause' initiative.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-8.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY17 (Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	14.89	10.13	1.56
EBITDA	Rs. Cr.	1.44	0.18	-0.01
PAT	Rs. Cr.	1.22	0.13	-0.01
EBITDA Margin	(%)	9.70	1.80	-0.44
PAT Margin	(%)	8.17	1.24	-0.94
ROCE (%)	(%)	137.85	92.87	186.06
Total Debt/Tangible Net Worth	Times	0.00	2.85	0.00
PBDIT/Interest	Times	54.20	44.98	-4.28
Total Debt/PBDIT	Times	0.00	1.37	0.00
Gross Current Assets (Days)	Days	226	81	163

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
08-Dec-2017	Bills Discounting	Long Term	5.00	ACUITE BB- / Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Bills Discounting	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB- Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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