



Press Release
SACHIS KIRON ROY MEMORIAL TRUST
February 11, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	65.77	ACUITE BBB Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	65.77	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned long term rating of '**ACUITE BBB**' (read as **ACUITE triple Bo**)n the Rs. 65.77 Cr. bank facilities for Sachis Kiron Roy Memorial Trust. The outlook is '**Stable**'.

Rationale for rating

The rating takes into cognizance long track record of operations and experienced management, moderate financial risk profile, healthy revenues and operating profitability and adequate liquidity; however, these strengths are partly offset by competitive nature of education industry.

About the Company

West Bengal – Based, Sachis Kiron Roy Memorial Trust (SKRMT) was established in 2003. The Trust is engaged in educational activities. The operations are run by Mr. Samit Roy, Mrs. Mallika Roy and Mrs. Aroti Roy. There are two schools under SKRMT namely Adamas International School (AIS; ICSE Board) and Adamas World School (AWS; CBSE Board) between classes 1-12.

About the Group

West Bengal – Based, Adamas University was incorporated in 2014. The university is engaged in providing graduate and post graduate education in various fields spread across 70-75 courses. The university is being run by Dr. Samit Roy, Mrs Malika Roy and Mrs. Aroti Roy. Able trust. The operations are run by Mr. Samit Roy, Mrs. Mallika Roy and Mrs. Aroti Roy. There has two schools under SKRMT namely Adamas International (AI) and Adamas World School (AWS).

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

•Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has taken a consolidated view of Adamas University and Sachis Kiron Roy Memorial Trust as the 2 entities are in the same line of business, share common management and have strong operational and financial linkages.

Key Rating Drivers

Strengths

Experienced professionals

The group is run by Mr. Samit Roy, Mrs. Mallika Roy and Mrs. Aroti Roy. They have been running educational institutes and trust since decades. Acuite believes their experience and the professional team will benefit the group going forward.

Revenues and operating profitability

The revenues have increased to Rs. 160.53 Cr. as on March 31, 2024 as compared to Rs. 132.02 Cr. as on March 31, 2023 due to increase in the number of admissions of student, introduction of new courses and attractive

placement opportunities. The operating profitability has increased to 25.24 percent as on March 31, 2024 as compared to 19.23 percent as on March 31, 2023 because of better absorption of employee and other fixed costs. In AU, there are three hostel buildings and one academic building for general purpose to be completed around June 2025. It will lead to more accommodation of students and increase in the number of students. The cost to be incurred would be around Rs. 55 Cr. The capex to be funded partially by internal accruals and bank loans of Rs. 25 Cr.

In AWS, there are capex plans of construction of academic buildings leading to additional classrooms and requirement of buses. The cost to be incurred would be around Rs. 28 Cr. The capex to be funded by internal accruals over the next 3 years.

Moderate financial risk profile

The financial risk profile of the group is moderate marked by comfortable net worth, moderate gearing and comfortable debt protection metrics. The tangible net worth stood at Rs. 97.89 Cr. as on March 31, 2024 as compared to Rs. 83.49 Cr. as on March 31, 2023 due to accretion of reserves. Gearing stood at 1.06 times as on March 31, 2024 compared to 1.09 times in FY2023. The interest coverage ratio stood at 4.43 times as on March 31, 2024 compared to 3.96 times as on March 31, 2023. The debt service coverage ratio stood stable at 2.50 times as on March 31, 2024 as compared to 1.19 times as on March 31, 2023. The TOL/TNW stood at 2.30 times as on March 31, 2024 as compared to 2.57 times as on March 31, 2023. Acuite believes that the group's financial risk profile will remain moderate in medium term backed by steady cash accruals.

Weaknesses

Highly regulated and competitive industry

The education sector is highly regulated with the government deciding on the maximum student intake, fees, mandatory facilities and faculty strength. Any adverse government regulations may impact the school's revenue growth and accruals. The student-teacher ratio is within the stipulated norms for all the institutions. However, considering that they have an established brand presence and has been consistently producing academic achievements, the school/ university has been insulated from the competition, to some extent.

Rating Sensitivities

Movement in revenues and operating profitability
Timely Implementation of capex plans

Liquidity Position

Adequate

The liquidity is adequate marked by steady net cash accruals of Rs. 37.16 Cr. as on March 31, 2024 as against long term debt repayment of Rs. 8.94 Cr. over the same period. The cash and bank balances stood at Rs. 6.47 Cr. as on March 31, 2024 as compared to Rs. 5.23 Cr. as on March 31, 2023. The current ratio stood stable at 0.56 times as on March 31, 2024 as compared to 0.43 times as on March 31, 2023. The fund-based utilization for seven months ended, November 24 is 67%. Acuite believes that going forward the liquidity position of the group will remain adequate in the near to medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	160.53	132.02
PAT	Rs. Cr.	25.29	2.20
PAT Margin	(%)	15.76	1.67
Total Debt/Tangible Net Worth	Times	1.06	1.09
PBDIT/Interest	Times	4.43	3.96

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

None

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History: Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.26	Simple	ACUITE BBB Stable Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.40	Simple	ACUITE BBB Stable Assigned
Growth Source Financial Technologies Private Limited	Not avl. / Not appl.	Term Loan	18 Jul 2021	Not avl. / Not appl.	27 May 2031	3.98	Simple	ACUITE BBB Stable Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Term Loan	10 Sep 2024	Not avl. / Not appl.	31 Mar 2032	30.00	Simple	ACUITE BBB Stable Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Term Loan	26 Feb 2024	Not avl. / Not appl.	30 Jun 2031	27.13	Simple	ACUITE BBB Stable Assigned

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr No.	Company Name
1	Adamas University
2	Sachis Kiron Roy Memorial Trust

Contacts

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About Acuité Ratings & Research

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