

Greenwood High Trust

Instrument	Amount Rated	Rating Action
	In Rs. Crore	As December' 15
Term Loan	6.40	[ICRA]A (Stable); reaffirmed
Fund Based	9.45	[ICRA]A (Stable); reaffirmed
Unallocated	34.15	[ICRA]A (Stable); reaffirmed
Total	50.00	

ICRA has reaffirmed the long term rating assigned to Rs. 50.0 crore (including unallocated) bank facilities of Greenwood High Trust (GHT) at [ICRA]A (pronounced ICRA A). The outlook on the long term rating is Stable.

The rating reaffirmation takes comfort from healthy growth in revenue receipts of the trust supported by growth in student strength, healthy occupancy levels and regular fee revisions. The rating also draws comfort from the strong capital structure of the trust on account of moderate debt levels and strong accretion to reserves as reflected by gearing of 0.14x as on March 2015 and interest coverage of 29x for FY15. The credit risk profile of the trust is expected to remain comfortable in the backdrop of moderate capital expenditure plans in the near to medium term coupled with increasing student strength. The rating continues to take comfort from established reputation of the school in Bangalore and GHT's strong promoter group (Sattva – Salarpuria).

The rating is however constrained by modest scale of operations of the trust. The rating is also constrained by concentration risk arising out of dependence of revenue receipts on operations of a single school. The rating also factors in high competition on account of many other schools in the vicinity of GHT, presence in highly regulated K-12 segment and challenges involved in attracting high quality faculty and maintaining good infrastructure facilities.

Going forward, extent of future capital expenditure and funding plan for the same and ability of the school to maintain high occupancy with increase in capacity will be the key sensitive factors.

About the trust

Greenwood High Trust (GHT) was established in the year 2004 and came under the management of the Salarpuria Sattva group, the Mani group and members of the Mehrotra family in the year 2010. The trust is a non-profit organization and operates one international school, Greenwood High International School, in Bangalore under the Greenwood High Trust. The trust provides education from nursery to high school. The curriculum in the international school is affiliated to the Indian Certificate of Secondary Education Board (ICSE), the International General Certificate of Secondary Education Board (under Cambridge University), and the International Baccalaureate (IB).

Recent Results

GHT reported a net surplus of Rs 27.23 crore on an operating income of Rs 71.37 crore in 2014-15. In the preceding year 2013-14, GHT reported a net surplus of Rs 14.61 crore on an operating income of Rs 53.05 crore.

December 2015

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