

August 4, 2010

**CARE REVISES THE RATING ASSIGNED TO THE BANK FACILITIES OF CHANAKYA KOTILYA SHIKSHAN SANSTHAN SAMITI**

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	5.51	'CARE C' (Single C )	Revised from 'CARE BB' (Double B)
<b>Total Facilities</b>	<b>5.51</b>		

**Rating Rationale**

The revision in rating was on account of deteriorated liquidity position owing to poor response for its Pharmacy College and reduced enrolment in Engineering College for 2009-10 batch resulting in severe cash flow mismatches and hence instances of delay in debt servicing. The delay in admission procedure of Engineering for 2009-10 batch also resulted in late receipt of fees.

The rating continues to be constrained by the society's short track record of operations, various regulatory restrictions faced by education societies and very high competition in technical education courses in Madhya Pradesh. The rating, however, favourably factors in the society's promoters experience in the education field and colleges being approved by AICTE.

The ability of CKSSS to regularise its debt servicing, achieve breakeven and improve its enrolment ratio are the key rating sensitivities.

**Company Profile**

CKSSS was incorporated in December, 2006 under Madhya Pradesh Society Registration Act, 1973 at Indore. The society is managed by Sojatia family under the leadership of Mr. Ashish Sojatia who is the current Chairman. CKSSS operates two education institutes viz. Acropolis Institute of Technology & Research (AITR) and Acropolis Institute of Pharmacy (AIP) at Bhopal.

During FY10, CKSSS reported deficit (expenditure over income) of Rs.0.13 crore on total operating income of Rs.3.99 crore as against deficit of Rs.0.27 crore on total operating income of Rs.2.80 crore during FY09.

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<sup>2</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

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