

Rating Rationale

Techno India (T.I)

17 July 2017

Brickwork Ratings upgrades the ratings for the bank loan facilities of ₹ 36.84 Cr of Techno India (T.I or the Trust).

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Ratings [^]	
	Previous	Present		Previous	Present
Fund Based Cash Credit Term Loan	25.00 6.95	25.00 4.84	Long Term	BWR B+ (Pronounced as BWR B Plus) Outlook:Stable	BWR BB (Pronounced as BWR Double B) Outlook:Stable (Upgraded)
Non Fund Based Bank Guarantee	7.00	7.00	Short Term	BWR A4 (Pronounced as BWR A Four)	BWR A4+ (Pronounced as BWR A Four Plus) (Upgraded)
Total	38.95	Rs. 36.84 Crores (Rupees Thirty Six Crores and Eighty Four Lakhs Only)			

[^] Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating: Ratings Upgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY16, Provisional key figures of FY17 and Estimates and Projection for FY18 and FY19, Publicly available information and information/clarification provided by the management.

The rating draws strength from consistent business performance in terms of growth in revenue and profitability, experience of the trustees, established presence of the trust in the vicinity, diversified courses offering of the trust, consistent growth in fee receipts.

However the rating is constrained by regulated nature of market of education industry & competition from other educational institutes in the vicinity.

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Rating Outlook: Stable

BWR believes the 'Techno India (Or the Trust) business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profits show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company -

Techno India was promoted by Mr. Gautam Roy Chowdhary & Established in the year 2001. The Trust is involved in the education services of schools, Colleges of graduate and postgraduate level in the field of Engineering, Technology and Management.

Techno India started with four engineering courses offered under the AICTE Approval and currently it is running 12 U.G Courses and 3 P.G Courses. The Registered office of the trust is located at Sector V of Salt Lake in Kolkata (W.B)

Business Operations

The Trust is operating under 12 Campuses including schools and colleges. The Courses of the Techno India are affiliated to West Bengal University of Technology (WUT), Maulana Abdul Kalam University of Technology, It is also accredited by National Board of Accreditation (NBA). Techno India Trust is part of Techno India Group which was established in the year 1985, The Group is having 41 campuses with 5 universities 20 Engineering Colleges, 10 B-Schools and 11 Public Schools.

Financial Performance

TI has shown growth in Total Receipts from ₹ 70.87 Crs of FY15 to ₹ 77.73 Crs for FY16, Further there is also marginal improvement in the operating Profit, there is also reduction in the interest & finance charges due to timely repayment of term loan obligations resulting in Total Surplus (PBT) improvement to ₹ 36.00 for FY16 (₹ 32.49 Crs for FY15).

Total Corpus of the TI as of 31st March 2016 ₹ 195.15 Crs, Total debt/Corpus at 0.14 times for FY16 is at lower level and liquidity position as reflected under Current Ratio 1.38 times as of FY16.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Fund Based			BWR BB	BWR B+		
	Cash Credit Term Loan	Long-term	25.00 4.84	(Outlook:Stable)	(Outlook:Stable)	–	–
2	Non Fund Based			BWR A4+	BWR A4		
	Bank Guarantee	Short-term	7.00			–	–

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

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Services Sector](#)
- [Short Term Debt](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and

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empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.