

## Rating Rationale

Academy for Technical & Management Excellence (ATME)

6<sup>th</sup> Feb 2017

**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Academy for Technical & Management Excellence (ATME).**

### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<b>Fund Based</b>			
<b>Term Loan</b>	<b>11.50<sup>^</sup></b>	<b>Long Term</b>	<b>BWR BB (Pronounced BWR Double B ) Outlook: Stable</b>
<b>Total</b>	<b>Rs. 11.50 Crores (Rupees Eleven Crores Fifty Lakhs Only)</b>		

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

<sup>^</sup>includes undisbursed amount of Rs.3.84 crs

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results of the trust up to FY16, projected financials up to FY 18, publicly available information and information/clarifications provided by the management.

The ratings draw strength from the experienced trustees, established track record, consistent growth in net receipts and adequate infrastructure facilities. However, the ratings are constrained by the moderate corpus of the trust, vulnerability to regulatory risks associated with the education sector and high level of competition from other educational institutes.

Going forward, ability of the ability of the institution to increase student enrolments, source qualified and experienced faculty, improve its surplus, achieve good placements for its students and expand its infrastructure appropriately would be the key rating sensitivities.

### Rating Outlook: Stable

BWR believes the Academy for Technical & Management Excellence's 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 profit 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 Trust

Academy for Technical & Management Excellence was established in June 2007 as a trust at Mysore, Karnataka. The trust runs an engineering college namely "Academy for Technical & Management Excellence" at Mysore. The College offers under graduation and post graduation courses. The college is recognized by the All India Council for Technical Education(AICTE), New Delhi and is affiliated to Visveswaraya Technological University, Belgaum. The college offers 5 branches in BE(Civil Engineering, Computer Science Engineering, Electronics and Communication Engineering, Electrical and Electronics Engineering and Mechanical Engineering), has student strength of 1862 and two streams in PG(Digital Electronics and Machine Design) with a student strength of 20.

The trustees are Mr.Arun Kumar.L, Mr.Shivashankar.K, Mr.Veeresh.R, Mr.Venkatesh.H, Prof. K.R. Mallikarjunappa, Mrs.Nooreain and Mr. Dhirendra Kumar R Mehta.

### Trust Financial Performance

ATME has reported net receipts of Rs.12.25 Crs and surplus of Rs. 2.05 Crs in FY 16 as against net receipts of Rs. 10.77 Crs and surplus of Rs. 0.86 Crs in FY15. On a provisional basis, the trust has reported Rs. 12.32 Crs of receipts for 9MFY17.

### 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	Term Loan	Long term	11.50	BWR BB  (Pronounced BWR Double B)  Outlook: Stable	-	-	-

### Hyperlink/Reference to Applicable Criteria

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

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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

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

**Academy for Technical & Management Excellence**  
**ANNEXURE**

	<b>Name of Facility</b>	<b>Bank : Canara bank Amt(Rs Crs)</b>
Fund Based	Term Loan	11.50*
	<b>Total</b>	<b>11.50</b>

\* includes undisursed amount of Rs.3.84 crs