



Rating Rationale

Tiruchirapalli Engineering and Technology Cluster

5 Jan 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of Rs. 35.60Cr of Tiruchirapalli Engineering and Technology Cluster(TREAT)

Particulars

Facility	Amount(in Crs)	Tenure	Rating
Fund Based			
Cash Credit	0.60	Long Term	BWR D (Pronounced as BWR Single D)
Term Loan - I	15.00		
Term Loan - II	18.00		
Non- Fund Based			
Bank Guarantee	2.00	Short Term	
TOTAL	35.60	35.60 (Rupees Thirty Five Crores and Sixty Lakhs Only)	

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY17, and Projection up to FY19 of Tiruchirapalli Engineering and Technology Cluster, publicly available information and information/clarification provided by the Company.

The rating draws strength from the Promoters's extensive experience in the engineering Industry and well trained & professional management team. However the rating is constrained by the on-going delay in debt servicing. The ability of the company to improve its operations and regularize its bank loan facilities will be the key rating sensitivity.

About the Company

Tiruchirapalli Engineering and Technology Cluster (TREAT) was incorporated in the year 2005 with its registered office in Trichy, Tamil Nadu. TREAT has been formed common Facility Centre(CFC), to sustain long-term competitive advantage in the global market under IIUS Scheme(Industrial Infrastructure Up-Gradation Scheme) from Department of Industrial Policy & promotion(DIPP) Government of India to develop a Trichy fabrication Cluster.



TREAT is a common manufacturing center with High End, Special Machines that provides job work related services in the critical areas of pre-processing, processing and post - processing activities in Industries like Energy and Power Industry, Renewable Energy, Oil and Natural Gas Industry and Infrastructure and construction Industry.

Management:

TREAT Board consists of 10 Directors under Chairman Mr. K .G. Muralidharan, Managing Director Mr. N P Sukumar and Mr. S Sivasubramanian, Director Finance.

Company’s Financial Performance

In FY17, the company incurred Net-loss of Rs. 2.55Cr on total operating income of Rs. 3.22Cr. Tangible Networth in FY17 stood at Rs. 46.29Cr includes grant from Government . DSCR Stood at 0.93times and Current ratio stood at 0.80times as on 31st March 17.

Key Financial Indicators

Particulars	FY15 (Actuals)	FY16 (Actuals)	FY17 (Actuals)
Total Operating Income (In Crs)	0.93	1.39	3.22
EBIDTA (In Crs)	-0.74	-0.65	1.13
PAT (In Crs)	-5.90	-2.44	-2.55
Net worth (In Crs)	54.62	51.05	46.29
Total Debt / TNW (Times)	0.38	0.37	0.42
Current Ratio (Times)	18.94	3.11	0.80

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

S.No	Instrument/Facility	Rating History						
		Type (Long Term/Short Term)	Amount (Rs Crs) (Proposed)		Rating - 2017	2016	2015	2014
1.	Cash Credit	Long Term	0.60		BWR D	--	--	--
2	Term Loan - I		15.00					
3	Term Loan - II		18.00					
4	Bank Guarantee	Short Term	2.00		BWR D			
	TOTAL		35.60		(Rupees Thirty Five Crores and Sixty Lakhs Only)			

Hyperlink/Reference to applicable Criteria

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

Analysts	Media
Varadarajan R analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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 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.