

Rating Rationale

Brickwork Ratings assigns ‘BWR B’ for the Long Term Fund Based Bank Loan Facilities of ‘Universal Trust of Education & Research’.

Brickwork Ratings (BWR) has assigned the following **Ratings**¹ for the Existing Bank Loan Facilities of **Universal Trust of Education & Research** (‘UTER’ or the ‘Trust’):

Nature of facility	Tenor	Amount (In Crs)- Rated	Ratings Assigned
Fund Based			
Term Loan	Long term	11.68	BWR B Outlook:Stable Pronounced as Single B
FITL-1		0.41	
FITL-2		0.47	
Total		12.56	INR Twelve Crores and Fifty Six Lakhs Only

Note: The Term Loan rated amount represents outstanding balance for multiple term loans.

BWR has essentially relied upon the audited financial results up to FY15, and provisional financials up to FY16, publicly available information and information/clarifications provided by the Trust’s management.

The rating factors in, interalia, experience of the trustees in running educational institutions, moderate teacher student ratio, and availability of adequate infrastructure facilities of the educational institution under the Trust. However, the rating is constrained by regulatory risks associated with the education sector, intense competition from other reputed institutes in the vicinity.

Background:

Universal Trust of Education & Research (UTER) was started as a public charitable trust at Jind, Haryana. The present Trustees of UTER are Mr. Hawa Singh (Chairman), Mr. Bijender, and Mrs. Kitabo Devi are other trust members.

UTER offers several Graduate and Post Graduate courses in Engineering and has started running school under the name RPS public school. The college is affiliated to Guru Jambheshwar University, Hisar approved by AICTE, New Delhi and the school is affiliated to Central Board of Secondary Education (CBSE).

Management Profile:

Universal Trust of Education & Research (UTER) is managed by its trustees. Mr. Hewa Singh is the Chairman Trustee of UTER.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Financial Performance:

As per the audited financial statements of FY15, the total income of the Trust has marginally declined to Rs. 4.71 crores as against Rs. 5.36 crores in FY 14. Excess of Income over expenditure stood at Rs. -0.43 crores in FY15 from Rs. -0.70 Crores in FY14. In FY15, the corpus stood at Rs. 1.91 Crs.

Rating Outlook

Performance of UTER over the next one year is expected to be stable. Going forward, ability of the Trust to improve its revenues by improving its enrollment ratio, to source and retain qualified and experienced faculty, to maintain quality of education, to improve its infrastructure facilities on a continuous basis and to manage placement will be the key rating sensitivities.

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