

January 14, 2014

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF
BHARATI VIDYAPEETH PUNE**

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Remarks
Long-term Bank Facilities	444.79 (Enhanced from Rs.92.60 crore)	CARE BBB (Triple B)	Reaffirmed
Total Bank Facilities	444.79		

Rating Rationale

The rating continues to derive strength from the experienced Management Council of Bharati Vidyapeeth Pune (BV), large number of institutes offering diverse courses, adequate infrastructural facilities and increased demand for quality technical and management education. The rating also takes into account, the moderate financial risk profile of BV characterized by the growing fee income, satisfactory capital structure and moderate debt coverage indicators.

The rating continues to remain constrained by the relatively lower surplus margins, competition from other established engineering and management institutes in and around Maharashtra and risk associated with the implementation of relatively large-sized upcoming project at Navi Mumbai.

The ability of BV to sustain revenue growth and complete its capex without impacting the capital structure and debt coverage indicators is the key rating sensitivity.

Background

Bharati Vidyapeeth Pune (BV) was established in the year 1964 by Dr Patangrao Kadam. The day-to-day administration is managed by a governing council headed by the secretary, Mr Vishwajeet Kadam who in turn is assisted by three Joint Secretaries and five Directors. BV is registered under the Societies Registration Act, 1860 and the Bombay Public Trust Act, 1950. BV provides education in various streams through its various campuses in Maharashtra. It runs more than 160 institutes including 101 schools and 59 institutions. BV operates through eight major centers in Maharashtra viz Pune, Mumbai, Kadegaon, Panchgani (Satara), Sangli, Solapur, Kolhapur and Karad. It also has three institutes in New Delhi offering graduation and post graduation courses. The total number of students enrolled in various institutions of BV is more than 2 lakh and the number of teaching and non-teaching staff is about 8,500.

During FY12 (refers to the period April 1 to March 31), BV's total operating income stood at Rs.385.21 crore and reported a surplus of Rs.18.91 crore. During FY13 (provisional), the total operating income of BV was Rs.444.45 crore and a surplus of Rs.21.83 crore.

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²Complete definition of the ratings assigned are available at www.careratings.com and in various CARE publications

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