

July 05, 2024

Team Computers Private Limited: Update on entity

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/ Fund-based/ CC	78.00	128.00	[ICRA]A (Stable); outstanding
Long-term/ Fund-based/ TL	7.75	7.75	[ICRA]A (Stable); outstanding
Short-term/ Non-fund Based	124.00	74.00	[ICRA]A2+; outstanding
Long-term/ Short-term – Unallocated Limits	40.25	40.25	[ICRA]A (Stable)/ [ICRA]A2+; outstanding
Total	250.00	250.00	

*Instrument details are provided in Annexure-1

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from Team Computers Private Limited (TCPL/the company).

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position and rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of TCPL. The list of companies consolidated are shared in Annexure-II. Earlier, ICRA used to review the standalone financials of the company; however, in FY2023, TCPL had extended funding support to associates/promoter companies in the form of corporate guarantees. While the standalone business remains the principal driver for the Group's1 financial profile, in ICRA's opinion, the company's consolidated financials along with inclusion of the guaranteed debt will reflect the credit risk profile more accurately. As a result, ICRA has revised its rating approach to analysing its consolidated business and financial profile, as it is now more representative of TCPL's credit profile.

About the company

Team Computers Private Limited, incorporated in 1987, offers services in IT infrastructure such as mobility and computing solutions, networking and communication, cloud services, business analytics, and Google Solutions, among others. As a flagship entity of the Group, the company is one of the largest players in the infrastructure solutions space, offering services from 26 offices and more than 250 support locations across the country. TCPL has a well-diversified client base comprising private companies as well as several public-sector units. TCPL is a privately held company, with Mr. Ranjan Chopra and family holding 100% stake in it.

TCPL holds a 35% stake in an event management company, Zorba Entertainment Private Limited, which is promoted by Mr. Chopra and family. It also has a 51%-owned subsidiary, Black Magic Toners Private Limited, which trades in printer toners and provides managed printing services. Kockpit Analytics Private Limited (formerly Team Analytics Private Limited), a wholly-owned subsidiary of TCPL, develops analytical software; while Team Business Solutions is TCPL's US subsidiary. The Group also

has interests in the hospitality business, and has a related entity named Team Hotels and Resorts Private Limited (Team Hotels) that runs a hotel in Goa, which commenced operations in FY2023. The company also has other associates, namely Qutab Entertainment Private Limited and Tatvahill Homes Private Limited, which operate in the hospitality business.

Key financial indicators (audited)

TCPL consolidated	FY2022	FY2023	FY2024*
Operating income	2,046.3	2,798.2	2,255.0
PAT	52.99	69.09	57.53
OPBDIT/OI	3.58%	3.46%	3.62%
PAT/OI	2.59%	2.47%	2.55%
Total outside liabilities/Tangible net worth (times)	3.26	1.97	2.03
Total debt/OPBDIT (times)	0.65	0.84	1.01
Interest coverage (times)	21.5	19.9	10.8

PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and Amortisation; Amount in Rs. crore

Source: Company; ICRA Research, * Provisional standalone numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years		
		Amount rated (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022
			Jul 05, 2024	Mar 18, 2024	Jan 23, 2023	Oct 25, 2021
1 Fund based/CC	Long term	128.00	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)
2 Fund based/TL	Long term	7.75	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Stable)
3 Non-fund Based	Short term	74.00	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+
4 Unallocated Limits	Long term and short term	40.25	[ICRA]A (Stable)/ [ICRA]A2+	[ICRA]A (Stable)/ [ICRA]A2+	[ICRA]A (Stable)/ [ICRA]A2+	[ICRA]A- (Stable)/ [ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/Fund Based/CC	Simple
Long-term/Fund Based/TL	Simple
Short-term/Non-Fund Based	Very Simple
Long Term/Short Term- Unallocated Limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	NA	-	128.00	[ICRA]A(Stable)
NA	Term Loans	FY2020	NA	FY2024	7.75	[ICRA]A(Stable)
NA	Non-Fund Based	-	NA	-	74.00	[ICRA]A2+
NA	Unallocated Limits	-	NA	-	40.25	[ICRA]A(Stable)/ [ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Team Computers Private Limited	-	Full consolidation
Black Magic Toners Private Limited	51.00%	Full consolidation
Kockpit Analytics Private Limited	100.00%	Full consolidation
Team Business Solutions LLC	100.00%	Full consolidation
Zorba Entertainment Private Limited	35.46%	Full consolidation
Qutab Entertainment Private Limited	41.99%	Full consolidation
Tatvahill Homes Private Limited	40.73%	Full consolidation

ANALYST CONTACTS

Shamsher Dewan

+91 124 4545328

shamsherd@icraindia.com

Mythri Macherla

+91 80 4332 6407

mythri.macherla@icraindia.com

Kinjal Shah

+91 022 61143400

kinjal.shah@icraindia.com

Nishant Misra

+91 124 4545862

nishant.misra@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.