

Sri Manakula Vinayaga Educational Trust

Instrument	Amount (Rs. crore)	Rating Action March 2016
Long Term, fund based facilities	149.19	[ICRA]B+; re-affirmed
Short Term, non-fund based facilities	14.45	[ICRA]A4; re-affirmed
Proposed long term/short-term facilities	10.93	[ICRA]B+/A4; re-affirmed

ICRA has re-affirmed the long-term rating of [ICRA]B+ (pronounced ICRA B plus) to the Rs. 149.19 crore¹ long term fund-based facilities of Sri Manakula Vinayaga Educational Trust ("SMVET"/the trust)². ICRA has also re-affirmed a short term rating of ICRA A4 (pronounced ICRA A four) to the Rs 14.45 crore short term non-fund based facilities. ICRA has also re-affirmed a long term rating of [ICRA]B+ and a short term rating of [ICRA]A4 to the Rs 10.93 crore proposed long term/short term facilities of the trust.

The reaffirmation of ratings takes into account the growth in the trust's revenues and the healthy profitability from the operation of the medical college & attached hospital. The ratings are also aided by the healthy growth in the sanctioned in-take of students in engineering colleges during the year which will aid the trust's revenues going forward. The brand equity of the engineering and medical colleges in Pondicherry along with favorable demand prospects for higher education in the country further support the ratings.

The ratings are however constrained by the lumpiness inherent in the cash flows owing to the seasonal receipts of academic fees. The ratings also consider the large ongoing capex program of the trust, for the upgradation of existing infrastructure, necessitated by the increase in the student intake year on year.

Trust Profile

Sri Manakula Vinayaga Educational Trust (SMVET) was formed in 1996, under the leadership of Mr. N. Kesavan with a view to provide technical and medical education to the weaker sections of the society. The first educational institution to be opened under the aegis of this trust was Sri Manakula Vinayagar Engineering College (MVEC). Later, in 2006, the trust established Sri Manakula Vinayagar Medical College Hospital (MVMCH) with a first batch of 150 students. MVMCH also has a 900-bed hospital attached to the college, which has witnessed healthy occupancy and outpatient flow. In all, the Trust operates six colleges in the Union Territory of Pondicherry spanning engineering, nursing, teacher training, medical and polytechnic courses with a total student base of more than 3,000. The Trustees also run the Mailam Subramaniya Swami Educational Trust which operates an engineering college in Tamil Nadu.

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¹ 1 crore = 100 lakh = 10 million

² For a complete rating scale and definitions, please refer to ICRA's website (www.icra.in) or other ICRA rating publications.



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