



Mailam Subramaniya Swamy Educational Trust

Instruments	Amounts (Rs. Crore [*])	Rating Action
Term Loans	7.50	Upgraded from [ICRA]D to [ICRA]B+
Fund Based Facilities	3.50	Upgraded from [ICRA]D to [ICRA]B+

ICRA has upgraded the long term rating from [ICRA] D (pronounced ICRA D) to [ICRA]B+ (pronounced ICRA B Plus) for Rs. 7.50 Crore term loans and Rs. 3.50 Crore fund based facilities of Mailam Subramaniya Swamy Educational Trust ("Mailam Trust", "the Trust")[†].

The rating revision is on account of regularization of debt servicing by the Company. The rating also considers the experience of the promoters in the education sector, healthy enrollment levels in the Trust run institute due to its favorable reputation in the region and healthy financial profile of the trust characterized by strong margin and comfortable capital structure. The rating also takes note of the increase in intake capacity of existing courses in the trust run institute which could result in revenue growth in the medium term. The Trust is also planning to introduce new post graduate courses and will be undertaking infrastructure expansion for the same, which will be partially debt funded and put some pressure on capital structure. ICRA takes note of high competition in education sector in Tamilnadu and the resultant pressure to retain and attract quality faculty and increase placements (which is moderate at present for the institute under Mailam trust). ICRA also takes note of issues of limited accounting disclosures for an educational trust and instances of transfer of funds between Mailam Trust and other group entities.

Company Profile

Mailam Subramaniya Swamy Educational Trust was established in 1996 by Mr. N. Kesavan who is the founder chairman. The Trust established - Mailam Engineering College in 1998 in Mailam in Villupuram district in Tamil Nadu. The College is approved by AICTE and affiliated to Anna University, Chennai. It provides both under-graduate and post-graduate courses in engineering and management. Over the years the Institute has increased its intake capacity and also introduced new courses. In 2011-12, the founder Mr. N Kesavan passed away and the trust is now headed by its Chairman & Managing Director Mr. M Dhanasekaran. The institute currently has ~3,350 students.

Mr. N. Kesavan also founded Sri Manakula Vinayaga Educational Trust in 1996 and currently operates five institutes including an engineering and medical college in the Union Territory of Pondicherry. It has a student base of ~3,000 students.

Recent Results

Mailam trust has reported profit after tax (PAT) of Rs. 3.6 Crore on an operating income (OI) of Rs. 15.1 Crore in fiscal 2011-12 as compared to PAT of Rs. 3.7 Crore on an OI of Rs. 12.6 Crore in fiscal 2010-11.

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^{*} 100 lakhs = 1 crore = 10 millions

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.



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