



Alard Charitable Trust

Instrument	Amount	Rating Action
	Rs. crore	
Term Loan facilities	12.0	[ICRA]B assigned

ICRA has assigned the [ICRA]B (pronounced ICRA B) rating to the Rs. 12 crore* term loan facilities of Alard Charitable Trust (ACT, "the trust")†.

The rating considers healthy occupancy rates of its engineering college, Alard College of Engineering. The rating is however constrained by stretched financial profile of the trust as evidenced in its weak capital structure and poor coverage. The ratings also take into consideration the declining occupancy rates in Alard School of Business Management, which given the trust's limited diversification across the education spectrum, may impact revenue growth over the near to medium term. ICRA also notes that the colleges instituted by the trust have a limited track record and are yet to establish themselves within the Pune region and face high competition from other established institutes in the vicinity. While the prospects for quality higher education remain buoyant, any further debt-financed expansion may have an adverse impact on the liquidity position of the trust given the rather low profitability of the trust and weak capitalization ratios.

About the company

Alard Charitable Trust (ACT, "the trust") was set up by Mr. L. R. Yadav in 2005. Prior to the set-up of the educational trust, the Yadav family was engaged in the business of undertaking turnkey EPC contracts for sugar plants for more than 30 years. ACT instituted its flagship college, Alard Institute of Management Sciences (AIMS) in 2005 for providing post-graduate education in the field of management studies. Since then the trust has instituted three more institutes viz. Alard School of Business Management, Alard College of Pharmacy and Alard College of Engineering and Management.

As per the trust's provisional results for the year ending March 31, 2011, ACT recorded an operating income of Rs. 9.0 crore and a deficit of Rs. 0.1 crore as against an operating income of Rs. 6.8 crore and deficit of Rs 0.6 crore for the twelve months ending March 31, 2010.

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For further details please contact:

Analyst Contacts:

Mr. Subrata Ray (Tel. No. +91 22 3047 0027)
subrata@icraindia.com

Relationship Contacts:

Mr. L. Shivakumar (Tel. No. +91 22 3047 0005)
shivakumar@icraindia.com

* 100 lakh = 1 crore = 10 million

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



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**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**Mobile: **9871221122**Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91-124-4545350

Mumbai**Mr. L. Shivakumar**Mobile: **91-22-30470005/9821086490**Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Ph : +91-22-2433 1046/ 1053/ 1062/ 1074/ 1086/ 1087
Fax : +91-22-2433 1390

Kolkata**Ms. Anuradha Ray**Mobile: **91-33-22813158/9831086462**Email: anuradha@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna, 234/ 3A, A.J.C. Bose
Road, Kolkata-700020.
Tel: +91-33-2287 6617/ 8839/ 2280 0008
Fax: +91-33-2287 0728

Chennai**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre, 498 Anna Salai, Nandanam,
Chennai-600035.
Tel: +91-44-2433 3293/ 94, 2434 0043/ 9659/ 8080, 2433
0724, Fax:91-44-24343663

Bangalore**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

2 nd Floor. ,Vayudhoot Chambers, Trinity Circle, 15-16
M.G.Road, Bangalore-560001.
Tel:91-80-25597401/ 4049 Fax:91-80-25594065

Ahmedabad**Mr. L. Shivakumar**Mobile: **9821086490**Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585494, 26582008,26585049, 26584924
TeleFax:+91-79- 2648 4924

Pune**Mr. L. Shivakumar**Mobile: **9821086490**Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range Hills
Road, Shivajinagar,Pune-411 020
Tel : (91 20) 2556 1194 -96; Fax : (91 20) 2556 1231

Hyderabad**Mr. M.S.K. Aditya**Mobile: **9963253777**Email: adityamsk@icraindia.com

301, CONCOURSE, 3rd Floor, No. 7-1-58, Ameerpet,
Hyderabad 500 016.
Tel: +91-40-2373 5061 /7251 Fax: +91-40- 2373 5152