



Sree Vidyanikethan Educational Trust

Instrument	Amount	Rating
	in Rs crores	As on December 2011
Fund based limits	40.79	[ICRA]BB (Stable)
Unallocated	9.21	[ICRA]BB (Stable)

ICRA has assigned [ICRA]BB (pronounced ICRA double B)[†] rating to the Rs 50 crores[†] long term bank facilities of Sree Vidyanikethan Educational Trust. The outlook on the long term rating is stable.

ICRA's rating factors in the long track record of the trust in the field of education and the diversified presence of the trust across different educational institutions such as engineering, degree, management, pharmacy, nursing and schooling. However, the rating is constrained by the relatively high gearing levels for the trust on account of debt funded capital expansion and delays in receipt of fee reimbursements from the Government of Andhra Pradesh (GoAP). The rating is also constrained by high revenue dependence of the trust on the Engineering College & International school; and moderate level of admissions for the Degree College. Also, increased competition among private schools and colleges in the state of Andhra Pradesh is likely to impact the profitability in future. Going forward, the ability of the trust in increasing the number of admissions and the timely receipt of fee reimbursements from the government of Andhra Pradesh will remain as key rating sensitivities.

Trust Profile

Sree Vidyanikethan Educational Trust was established in the year 1992, by Dr. M Mohan Babu a popular movie artist and film producer in Andhra Pradesh and former Member of Parliament (Rajya Sabha). The trust was started with the objective to provide quality education from basic schooling to colleges of higher learning. The main campus of the trust is situated about 14 KMs away from the temple town of Tirupati and houses engineering, degree, pharmacy, nursing and management institutes along with the international school.

Recent Results

During the financial year ending March 2011, the trust recorded net profit of Rs. 5.16 crores on a turnover of Rs. 32.15 crores as against net profit of Rs. 1.58 crores on a turnover of Rs. 24.71 crores during FY 2009-10.

December 2011

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

[†] Rs 1 Crore = Rs 100 Lakh = Rs 10 Million



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