

## Sri Venkateshwara Educational and Charitable Trust

February 26, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	10.00	CARE B+; Stable	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating assigned to the bank facilities of Sri Venkateshwara Educational and Charitable Trust (SVECT) is constrained by its modest scale of operations, weak financial risk profile, the highly regulated nature of the education sector, exposure to intense industry competition, and the cash-flow mismatches typically associated with educational institutions. The rating is further constrained by the project-execution risk linked to the proposed medical college, which is at a very nascent stage, with financial closure yet to be achieved.

However, the rating derives comfort from the qualified and experienced management team and the healthy enrolment levels across the trust's educational institutions.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Successfully complete the planned medical college capex and improve operating income above Rs.20 crore on sustained basis.
- Improvement in debt coverage metrics with Total debt/ GCA below 10.00x.
- Manage cash flow and liquidity position through prompt collection of receivables.

#### Negative factors

- Any sharp decline in enrolment levels of educational institutions on sustained basis.
- Any cost or time overrun in the ongoing capex leading to stretch in liquidity.

### Detailed description of key rating drivers:

#### Key Weaknesses

##### Modest scale of operations and Weak financial risk profile

The trust's scale of operations remained modest, with revenue of Rs. 1.26 crore in FY25 (April 01 to March 31), compared with Rs. 2.25 crore in FY24. During 9M FY26, the trust reported an income of Rs. 1.75 crore. The capital structure continued to remain weak, marked by a negative net worth owing to accumulated past losses. Debt-coverage indicators also remained subdued, with Total Debt/GCA at 57.14x in FY25 (PY: 98.83).

As of March 31, 2025, the trust had receivables of Rs.5.18 crore outstanding for more than six months, partly attributable to long-pending dues from the discontinued engineering programme (closed in 2021), with the remainder relating to long-standing government grant receivables.

##### Highly regulated industry and exposure to intense competition:

The education sector in India function under the regulatory framework of bodies such as the University Grants Commission (UGC). Institutions must follow prescribed guidelines, and this influences how they plan and operate. Engineering colleges follow fee structures set by the State Fee Commission, which provides a defined fee framework and limits frequent changes in basic course fees.

SVECT's brand presence is primarily within Tamil Nadu, with most students coming from the state. The region has many educational institutions, and SVECT operates in a competitive environment where colleges focus on improving academic quality and student outcomes to strengthen their position.

##### Cash flow mismatch associated with educational institutes:

The institute collects fees on a half-yearly basis, resulting in revenue being concentrated during those periods when tuition, hostel fees, and related income are received. At the same time, the trust must meet regular and ongoing expenses, including staff

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

salaries, maintenance costs, and interest payments. Since these expenses are largely fixed, timely fee collection becomes essential to avoid fund-flow mismatches and pressure on liquidity.

**Project risk associated with large capex**

The trust plans to avail a term loan of Rs. 10 crore towards the civil-construction project for the proposed medical college, which remains at a very nascent stage with financial closure yet to be achieved, and no significant project expenditure incurred to date. The project is exposed to considerable execution and regulatory risks, as medical college development requires strict adherence to mandated norms covering academic infrastructure, laboratory and teaching facilities, and the establishment of a compliant teaching hospital with requisite bed capacity, clinical departments, medical equipment, and faculty strength prescribed by regulatory authorities. Delays in construction progress or in meeting these statutory medical and hospital requirements could impede regulatory approvals, defer timelines for operationalisation, and heighten cost pressures, thereby constraining the trust's overall credit profile

**Key Strengths****Experienced Management**

The trust is managed by a team of trustees with more than two decades of experience in running educational institutions and associated services. Mr. J. Srinivasan, the Managing Trustee and an M.Com graduate, oversees the academic and administrative functions of all institutions under SVECT and brings over 20 years of experience in the education sector. Mr. J. Balaji, a Chemical Engineering graduate, contributes to policy formulation and plays a key role in overseeing project implementation, including infrastructure development. Ms. B. Jayanthi, a B.Sc graduate, manages financial discipline, budgeting, and internal controls, ensuring smooth financial governance of the trust. Ms. S. Anuradha, a B.B.A graduate, supports both academic and administrative activities. Together, the trustees bring broad experience across education management, institutional operations, and financial oversight, contributing to the strategic direction and governance of the trust.

**Comfortable enrolment levels**

SVECT manages a range of educational and healthcare institutions, including Jagannath Vidhyalaya Matriculation School, Jagannath College of Nursing, Jagannath College of Pharmacy, and Jagannath Medical College and Hospital. The trust also operates a school in Chennai offering classes up to Grade X. For the Academic Year 2025–26, the institutions recorded strong student intake, with 100% enrolment in the Nursing College and a healthy 94% enrolment in the Pharmacy College, reflecting good demand for these paramedical programs

**Analytical approach:** Standalone

**Outlook:** Stable

The stable outlook by CARE Ratings Limited (CARE Ratings) reflects the trust is expected to sustain stable operating performance with comfortable enrolment levels in colleges and extensive experience of the trustee.

**Liquidity:** Poor

Liquidity remains poor, as reflected in the operating losses reported in FY25. However, liquidity is partially supported by regular infusion of unsecured loans from the promoters, which has helped the trust meet its obligations. The operating cycle remained significantly stretched at 1,784 days in FY25, primarily due to long-outstanding fee receivables. The trust does not have working capital limits, and the current ratio stood low at 0.20x as on March 31, 2025

**Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Education](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Services	Other Consumer Services	Education

Sri Venkateshwara Educational and Charitable Trust (SVECT), established in 2009, manages a portfolio of educational and healthcare institutions, including Jagannath Vidhyalaya Matriculation School (LKG-X), Jagannath College of Nursing, Jagannath College of Pharmacy, and the 100-bedded Jagannath Medical Centre in Chennai. The Trust is overseen by the trustees—Mr. J. Srinivasan, Mr. J. Balaji, Ms. B. Jayanthi, and Ms. S. Anuradha.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26
Total operating income	2.25	1.26	1.75
PBILDT*	0.41	-1.06	NA
Profit after tax (PAT)	0.37	0.71	NA
Overall gearing (x)	-4.65	-5.70	NA
Interest coverage (x)	4.78	-15.60	NA

A: Audited UA: Unaudited; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax; NA: Not Available

### Status of non-cooperation with previous CRA: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	November 2037	10.00	CARE B+; Stable

### Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	10.00	CARE B+; Stable				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

### Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

### Contact us

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