



Press Release

Master Nihal Singh Memorial Educational Society

March 21st, 2025

Ratings

Sl. No.	Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
1.	Long Term Bank Facilities	71.59	IVR B/ Stable (IVR Single B with Stable Outlook)	IVR B/ Stable (IVR Single B with Stable Outlook)	Rating Reaffirmed	Simple
Total		71.59	Rupees Seventy-One Crore and Fifty-Nine Lakh Only			

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed the long-term rating of IVR B with Stable outlook for the bank loan facilities of Master Nihal Singh Memorial Educational Society (MNSMES).

The rating continues to draw comfort from reputed group name and satisfactory infrastructure coupled with experienced faculties. However, these rating strengths are partially offset by weak debt protection metrics and loss reported by the society, and exposure to intense competition and stringent regulatory framework for the educational sector in India.

The outlook is expected to remain stable on account of improvement in TOI and reduction in losses reported. IVR believes MNSMES will continue to benefit from reputed group name and increase in student intake.

IVR has principally relied on the audited financial results of MNSMES upto 31 March 2024, (i.e. review period from 1st April 2023 to 31st March 2024), and projected financials for FY2025, FY2026 and FY2027 and publicly available information/ clarifications provided by the society's management.

Key Rating Sensitivities:

Upward Factors

- Improvement in enrollment rates, thereby adding to the growth in operations and profitability.
- Sustenance of overall gearing below 0.40x.



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Downward Factors

- Further deterioration in operating income and/or profitability impacting debt coverage indicators or liquidity, subdued industry scenario could lead to negative rating action.
- Any adverse scenario in the education sector.

List of Key Rating Drivers with Detailed Description

A. Key Rating Strengths

- **Reputed Group name**
Ambience has a market presence of over 30 years in real estate development mainly having focus on premium developments primarily in the National Capital Region with in-house construction and development capabilities. Company has presence in various real estate such as hospitality, education, retail, residential and commercial.
- **Satisfactory infrastructure coupled with experienced faculties**
Master Nihal Singh Memorial Educational Society (MNSMES) has the privilege of having a large number of experienced faculty members, which is essential in building a strong brand name and attracting quality students. Further, society has modern infrastructure including but not limited to transportation and canteen facilities and latest tools and technologies.

B. Key Rating Weaknesses

- **Weak debt protection metrics and loss reported by society**
The debt protection parameters remained at an average level, i.e., ISCR & DSCR at 0.57x and 0.42x in FY2024 as against 0.53x and 0.51x in FY2023 respectively. Society reported net loss of Rs. 6.40 crore as per FY2024 as against net deficit of Rs. 7.12 crore in FY2023.
- **Exposure to intense competition and stringent regulatory framework for the educational sector in India**
Society faces intense competition from other institutions offering similar courses. Given the competition, the ability of society to attract requisite students in tune with its sanctioned intake would be a challenge. Further, the Indian education industry is highly regulated and consequently subject to the stringent regulatory framework, which is to be followed by group operated institutes. Any major change in regulatory framework by the Government of India or change in policy by affiliated boards will have major impact on the revenue, financial and operating performance of the trust.



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Analytical Approach: For arriving at the ratings, INFOMERICS has applied its rating methodology as detailed in the rating criteria below. IVR has analysed MNSMES's credit profile by considering the standalone financial statements of the firm.

Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Stretched

The liquidity of the society is stretched on account of expectation of lower cash accruals against debt repayments in next 3 years. Society has proposed to meet the shortfall in debt obligations through infusion of unsecured loans. The unencumbered cash & bank balance stood at Rs. 4.51 Crore as on March 31, 2024. The current ratio of the society is moderate at 0.40 as on March 31, 2024.

About the Society

Master Nihal Singh Memorial Educational Society (MNSMES), established on 23rd October 2002, is registered under the Societies Registration Act, NCT of Delhi (Registration No. S-44172 of 2002). With its registered office at 1/7, Sarvapriya Vihar, New Delhi-110016, MNSMES is dedicated to promoting quality education. The society is part of the prominent Ambience Group, known for its presence in real estate, hospitality, and education sectors. MNSMES has constructed the Ambience Public School in Gurgaon, complementing the group's existing school at Safdarjung Enclave, New Delhi, operated under the Ambience Education Society.



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Financials (Standalone):

For the year ended*/As on	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	9.40	11.28
EBITDA	4.19	4.28
PAT	-7.12	-6.40
Total Debt	77.18	71.41
Tangible Net worth	123.75	117.44
EBITDA Margin (%)	44.57	37.92
PAT Margin (%)	-75.35	-55.45
Overall Analysed Gearing Ratio** (x)	0.62	0.64
Interest Coverage Ratio (x)	0.53	0.57

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (February 20, 2024)	Date(s) & Rating(s) assigned in 2023-24 (August 31 st , 2023)	Date(s) & Rating(s) assigned in 2022-23 (August 24 th , 2022)	Date(s) & Rating(s) assigned in 2021-22 (September 1 st , 2021)
1.	Fund based	Long Term	71.59	IVR B/Stable	IVR B/Stable	IVR D	IVR D	IVR D

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd.] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	March 2031	71.59	IVR B/Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Master-Nihal-Singh-21mar25.pdf>



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Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [Complexity Level of Rated Instruments/Facilities](#).