



Press Release

The Abraham Memorial Educational Trust

April 22, 2025

Ratings

Security/ Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	72.58 (Reduced from Rs.77.00 crore)	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)	Rating Reaffirmed	Simple
Total	72.58 (Rupees Seventy-Two Crore and Fifty-Eight Lakhs 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

The reaffirmation of rating assigned to the bank facilities of The Abraham Memorial Educational Trust (AMET), a part of Universal Education Group (UEG), continues to derive strength from the long track record of operations of the group along with its strong and diverse presence across the education sector offering varied courses. UEG has an experienced board of trustees and strong management team, satisfactory infrastructure with experienced faculties and satisfactory enrolment rates in the educational Institutes under the group. The rating also factors in stable business performance of UEG, albeit moderation in overall profitability in FY2024 (refers to the period from April 01 to March 31). Further, the rating also considers increase in scale of operations of the Group attributable to addition of three new international schools which commenced operations from September 2022 onwards. However, these rating strengths are constrained due to debt funded capex plans of the group resulting in project execution risk. Further, the rating continues to remain partially offset by the group's susceptibility to regulatory risk and intense competition in the sector. The rating also notes leveraged capital structure of the group with sizeable debt obligations in the near term and moderate coverage indicators in FY2024.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. Infomerics believes that UEG will continue to benefit from its experienced promoters and witness improvement in scale of operation driven by increase in student enrolment ratios.



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Key Rating Sensitivities:

Upward Factors:

- Improvement in enrolment ratio leading to improvement in the operating income and profitability on a sustained basis.
- Improvement in the capital structure with reduction in debt level leading to improvement in overall gearing to below 1x and/or improvement in debt protection metrics with improvement in interest coverage to over 3x
- Improvement in liquidity position
- Achievement of financial closure for the ongoing projects along with timely completion of the same without any cost overrun

Downward Factors:

- Dip in operating income and/or profitability due to decline in enrolment ratio impacting the debt protection metrics with moderation in interest coverage to below 2x
- Delay in completion of the project with cost overrun
- Any withdrawal of unsecured loans and/or any unplanned debt funded capex leading to moderation in capital structure
- Moderation in overall liquidity position of the group

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced Board of Trustee with long track record of operation

UEG has presence in the education sector since 2003 and runs 48 educational institutes across 35 entities and offers K-12 education, degree and technical courses. The group has its presence in Maharashtra, Karnataka and Tamil Nadu. UEG was established under the chairmanship of Mr. Jesus S.M. Lall who has over two decades of experience in the education sector. Mr. Jesus S. M. Lall, is a member of the International Advisory Committee of the Educational Institute of India; a Fellow of the Indian Institute of Educational Management; and 2005 "Educational Personality of the Year". Apart from being the CEO of UEG, Mr. Lall is also a director of the NGO, S. M. Lall Foundation. The operations of the group are looked after by Mr. Jesus S.M. Lall. He is supported by the other trustees and a team of qualified and experienced professionals in managing the day-to-day affairs of the Group.

Diverse presence across the education sector through established schools and colleges offering varied diploma, graduation and post-graduation courses



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UEG offers a wide range of programs including Pre-Primary, Primary, and Secondary education, undergraduate courses such as BMS, BMM, BBI, BAF, B. Sc, BBA, B. Com, and LLB, as well as professional diploma courses in Engineering and Elementary Education. The institution also provides Bachelor of Education (B. Ed) and postgraduate courses like M.Com. UEG's engineering programs are approved by the All-India Council for Technical Education (AICTE) and holds NAAC 'A' accreditation. UEG's schools are affiliated with various educational boards, including ICSE (Indian Certificate of Secondary Education), IGCSE (International General Certificate of Secondary Education), IB (International Baccalaureate), and CBSE (Central Board of Secondary Education). The combined current strength of all the schools and colleges together is over 25,000+ students.

Satisfactory infrastructure coupled with experienced faculties.

UEG has the privilege of having a number of experienced faculty members, which is essential in building a strong brand name and attracting quality students. Further, all the institutes under the Group have modern infrastructure including but not limited to, transportation & canteen facilities and the latest tools & technologies.

Satisfactory enrolment rates in educational institute

Enrolment rate depends upon available infrastructural facilities, composition of experienced faculties, placement records and brand image of the institution. UEG has maintained a satisfactory enrolment rate over the past years in all its Institutes.

Increase in scale of operations for the three new international schools of the Group

The three new schools in the name of Stellar World School with International Curriculum located in Andheri, Bandra and Goregaon (Mumbai) houses the affluent population who are the target segment of the school. The operations of the schools commenced from September 2022 onwards. The enrolment rate increased significantly, and the group generated a revenue of Rs.21.44 crore in FY2024 as against a revenue of Rs.8.92 crore in FY2023 from the Stellar World School. The admissions are expected to increase further going forward with ramping up of operations, addition of new classes and favourable demand for international curriculum.

Stable business performance, albeit moderation in overall profitability in FY2024

Total operating income (TOI) witnessed a marginal y-o-y growth of 4.39% from Rs.464.44 crore in FY23 to Rs.484.82 crore in FY24 driven by stable enrolment ratio and increase in fee in the pre-primary schools operating under the UE Group coupled with removal of concessions that were granted during the time of COVID 19 pandemic. EBITDA margin increased



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marginally from 28.40% in FY23 to 29.55% in FY24 on the back of decrease in operational and administrative overheads and economies of scale. Despite the increase in EBITDA margin in FY24, PAT margin decreased from 12.49% in FY23 to 6.08% in FY24 due to significant increase in depreciation and interest cost in FY24 as compared to FY23. The increase in depreciation provision and interest cost in FY24 is majorly due to the fact that the capex pertaining to the three international schools in the name of Stellar World School were majorly capitalised in FY24 which led to an increase in depreciation and interest expense. Consequently, PAT decreased from Rs.60.11 crore in FY23 to Rs.30.71 crore in FY24. Nevertheless, GCA decreased marginally from Rs.81.61 crore in FY23 to Rs.77.66 crore in FY24.

Further, the Group achieved a PBT of Rs.72.12 crore on a TOI of Rs.401.76 crore during 9MFY2025. The ability of the group to increase its scale of operations coupled with improvement in profit margins will be critical from a rating perspective.

Key Rating Weaknesses

Debt funded capex plans and project execution risk

UE Group is in the process of undertaking a large debt funded capex pertaining to expansion project in Stellar World School located in Bandra, Mumbai which is operating under Bombay Education Trust (BET) and setting up a new K-12 grade International School which will offer CBSE (Central Board of Secondary Education) and IB (International Baccalaureate) curriculum in Borivali, Mumbai which will be operating under Shreeji Education Trust (SET).

The Stellar World school is currently operational with classes up to grade 4 and the expansion project is undertaken by the group to accommodate students up to grade 10. The expansion project mostly involves addition of new floors in the existing building and setting up of new classrooms. The estimated cost of the project is around Rs.67.68 crore which will be funded through term loan of Rs.56.65 crore and the balance through promoter's contribution. The capex is at its very initial stage and the financial closure is yet to be achieved. The Trust has incurred Rs.7.50 crore towards the said project till January 02, 2025, which was funded through unsecured loans from Trustees. The operations from grade 5 is expected to commence from September 2026 onwards.

With regard to the setting up of the new international school in Borivali, Mumbai, the project is at its extremely nascent stage and will be executed in a phased wise manner. The Group has only acquired the land on a 60-year lease from Municipal Corporation of Greater Mumbai as



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per the leased deed dated March 31, 2006, and construction work is yet to start. The estimated cost for the phase 1 of the project which will accommodate students up to grade 4 is Rs.263.64 crore which will be funded through term loan of Rs.197.00 crore and the balance through promoter's contribution. The financial closure for the project is yet to be achieved. The Trust is in the process of getting necessary statutory approvals post which the construction work will start which is expected by March 2025. The COD for the project is April 2027.

Besides, the group has also taken a new term loan of Rs.27.00 crore to fund the repairs and refurbishment work at its existing school in Bangalore running under Bolar Educational Trust which will be completed by March 2025. The ongoing capex plans of the group will expose the same to project execution risks and will also put pressure on the consolidated capital structure and coverage indicators in the near to medium term. Further, any delay in completion of project or cost overrun, if any is likely to have an adverse impact on the cash flows of the group going forward.

Leveraged capital structure of the Group and sizeable debt obligation

The debt profile of the group majorly consists of term loans from banks, unsecured loans from promoters & their relatives and bank overdrafts. The capital structure of the group marked by long term debt equity ratio and overall gearing though improved from 1.50x and 1.66x respectively as on March 31, 2023 to 1.13x and 1.32x respectively as on March 31, 2024 [considering subordinated unsecured loan from trustees to the tune of Rs.250.38 crore as on March 31, 2024 (Rs.192.30 crore as on March 31, 2023) as quasi equity], yet remained moderately leveraged. Also, the group's capex expansion plans of Rs.331.32 crore which will be partly funded through term debt of Rs.253.65 crore will put pressure on the capital structure and will result in sizeable debt repayment obligation and high interest outgo going forward. The cushion between accruals and debt repayment obligation is expected to be modest. Sustained improvement in the same will be a key monitorable.

Moderate debt coverage indicators in FY2024

The debt coverage indicators on a consolidated basis marked by ICR moderated from 2.06x in FY2023 to 1.82x in FY2024 due to increase in interest expense in FY2024. Also, due to leveraged capital structure, Total debt/EBITDA and Total debt/GCA though improved marginally continued to remain high at 6.29x (7.26x as on March 31, 2023) and 11.60x (11.73x as on March 31, 2023) respectively as on March 31, 2024.

Susceptibility to regulatory risks



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The education sector is highly regulated and compliance with specific operational and infrastructure norms set by regulatory bodies are important. Thus, regular investment in the workforce and infrastructure is needed to conduct the operations efficiently.

Intense competition

UEG faces intense competition from reputed public and private institutes in the nearby states. This puts pressure on attracting / retaining talented students and faculty.

Analytical Approach: Combined

Infomerics has considered the combined business and financial risk profiles of Vidya Vikas Education Trust, National Education Society, Maharashtra Samaj Ghatkopar, Universal Education Foundation, Super Value Properties Private Limited, SML Supervalue Education Private Limited, SML Properties Private Limited, JND Edu-Realty Private Limited, JND Edu-Management Services Private Limited, UTOPIA Hospitality Private Limited, UDAN Recreation Services Private Limited, JND Realcon Private Limited, SML Realtech Private Limited, Almighty Infrastructure Private Limited, SML Edu-Infra Private Limited, SAA Edu-Infra Services LLP, The Abraham Memorial Education Trust, Alpha Foundation for Education and Research, Primus Trust, General Computer Services International, Universal Edu Infra Services Pvt Ltd, A. P. Greig Foundation Trust, AJL Edu-Solutions LLP, Agastya Edu-Realty LLP, Bombay Education Trust, Gareeb Vidyarthi Sahayak Mandal Trust, AJL Edu-Infra Services LLP, AJL Buildcon LLP, JND Edu Infra Services Private Limited, Sahyog Charitable Trust, Universal Edu Realty LLP, Universal Educon Private Limited, Shreeji Education Trust, Bolar Education Trust and UEG Properties Private Limited together referred to as the 'Universal Education Group' (UEG) to arrive at the rating as these entities are under a common management and have operational linkages and cash flow fungibility. The list of entities is given in Annexure 4.

Applicable Criteria:

[Rating Methodology for Service Sector Entities.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

[Consolidation of companies](#)



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Liquidity – Adequate

The liquidity profile of the Group is expected to remain adequate in the near term marked by sufficient cash accruals vis-à-vis its debt repayment obligations of Rs.56.27 crore in FY24, Rs.64.34 crore in FY26 and Rs.70.89 crore in FY27. The UE Group has earned a gross cash accrual of Rs.77.66 crore in FY24. Also, with resourcefulness of the UE Group and its established presence coupled with infusion of funds in the form of corpus/unsecured loans as and when required, Infomerics, do not envisaged much difficulty for the Trust in meeting its debt obligations in the near term. The group had free cash and cash equivalent of Rs.39.48 crore as on December 31, 2024, which is likely to support the liquidity position of the group in the near to medium term.

About the Trust

Established in 1999 by Mr. Jesus Lall, AMET is a part of the UE Group. AMET manages a pre-primary, primary and secondary school and offers International Certificate of Secondary Education (ICSE) curriculum.

Following are the institutions managed by the AMET:

No	Institutions Name	Curriculum / Affiliations	Location	Course	Year of establishment
1.	Ebenezer International School	ICSE/IGCSE	Electronical city, Bangalore	1-10	1999
2.	Ebenezer Beginnings	UEG Curriculum	Electronical city, Bangalore	Pre-primary	1999

About UEG:

Founded by Mr. Jesus S.M. Lall, UE Group has presence in the education sector since 2003 and runs 48 educational institutes across 35 entities and offers a wide range of programs including Pre-Primary, Primary, and Secondary education, undergraduate courses such as BMS, BMM, BBI, BAF, B. Sc, BBA, B.Com, and LLB, as well as professional diploma courses in Engineering and Elementary Education with current student strength of over 25,000 across its schools and colleges. The institution also provides Bachelor of Education (B. Ed) and postgraduate courses like M.Com. UEG's engineering programs are approved by the All-India Council for Technical Education (AICTE) and also holds NAAC 'A' accreditation. UEG's schools are affiliated with various educational boards, including ICSE (Indian Certificate of Secondary Education), IGCSE (International General Certificate of Secondary Education), IB (International Baccalaureate), and CBSE (Central Board of Secondary Education). The group has recently started operations of three new schools with International Curriculum at Andheri,



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Bandra and Goregaon in Mumbai from September 2022 onwards. Also, in 2024, the group inaugurated Universal SkillTech University in Kaman Vasai, Maharashtra aiming to empower youth through skill development. The university offers a diverse array of programs across disciplines such as Engineering, Management, Banking & Finance, Mass Media & Journalism, Humanities, Multimedia & Filmmaking, and more. Furthermore, the group is in the process of setting up a K-12 grade International School which will offer CBSE (Central Board of Secondary Education) and IB (International Baccalaureate) curriculum with a student capacity of 6720 students in Borivali, Mumbai, Maharashtra. The said expansion will be done in a phased wise manner with Phase 1 comprising classes up to grade 4 commencing operations from April 2027 onwards.

While most of the entities are in education sector, some of them are asset holding and provides support services to the institutes. The group has its presence in Maharashtra, Karnataka and Tamil Nadu.

Financials: Combined

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	464.44	484.82
EBITDA	131.89	143.26
PAT	60.11	30.71
Total Debt	957.06	901.09
Adjusted Tangible Net Worth	575.77	683.10
EBITDA Margin (%)	28.40	29.55
PAT Margin (%)	12.49	6.08
Overall Gearing Ratio (x)	1.66	1.32
Interest Coverage (x)	2.06	1.82

* Classification as per Infomerics standards

Financials: Standalone

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	28.41	31.68
EBITDA	13.38	6.43
PAT	9.90	0.58
Total Debt	50.07	75.80
Adjusted Tangible Net Worth	13.67	14.25
EBITDA Margin (%)	47.10	20.29
PAT Margin (%)	33.99	1.76



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Overall Gearing Ratio (x)	3.66	5.32
Interest Coverage (x)	3.66	1.00

* 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 Rating (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					-	February 06, 2024	November 10, 2022
1	Term Loan	Long Term	72.58 * (Reduced from Rs.77.00 crore)	IVR BBB+/ Stable	-	IVR BBB+/ Stable	IVR BBB+/ Stable

*Outstanding as on December 31, 2024

Analytical Contacts:

Name: Harshita Gupta	Name: Avik Podder
Tel: (033)- 46022266	Tel: (033) 46022266
Email: hdidwania@infomerics.com	Email: apodder@infomerics.com

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.



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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: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan I	-	-	May 2032	44.00*	IVR BBB+; Stable
Term Loan II	-	-	Sept 2033	28.58*	IVR BBB+; Stable

*Outstanding as on December 31, 2024

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-TAMET-22apr25.pdf>

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

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the Company	Combined Approach
Vidya Vikas Education Trust	Full Combined
National Education Society	Full Combined
Maharashtra Samaj Ghatkopar	Full Combined
Universal Education Foundation	Full Combined
Super Value Properties Private Limited	Full Combined
SML Supervalu Education Private Limited	Full Combined
SML Properties Private Limited	Full Combined
JND Edu-Realty Private Limited	Full Combined
JND Edu-Management Services Private Limited	Full Combined
UTOPIA Hospitality Private Limited	Full Combined
UDAN Recreation Services Private Limited	Full Combined
JND Realcon Private Limited	Full Combined



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SML Realtech Private Limited	Full Combined
Almighty Infrastructure Private Limited	Full Combined
SML Edu-Infra Private Limited	Full Combined
SAA Edu-Infra Services LLP	Full Combined
The Abraham Memorial Educational Trust	Full Combined
Alpha Foundation for Education and Research	Full Combined
Primus Trust	Full Combined
General Computer Services International	Full Combined
Universal Edu Infra Services Pvt Ltd	Full Combined
A. P. Greig Foundation Trust	Full Combined
AJL Edu-Solutions LLP	Full Combined
Agastya Edu-Realty LLP	Full Combined
Bombay Education Trust	Full Combined
Gareeb Vidyarthi Sahayak Mandal Trust	Full Combined
AJL Edu-Infra Services LLP	Full Combined
AJL Buildcon LLP	Full Combined
JND Edu Infra Services Private Limited	Full Combined
Sahyog Charitable Trust	Full Combined
Universal Edu Realty LLP	Full Combined
Universal Educon Private Limited	Full Combined
Shreeji Education Trust	Full Combined
Bolar Education Trust	Full Combined
UEG Properties Private Limited	Full Combined

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 www.infomerics.com.