



Press Release

Ankush Shikshan Sanstha

January 01, 2025

Ratings

Facilities	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	65.85	IVR BBB-; Stable (IVR Triple B Minus with Stable outlook)	IVR BB+/Positive (IVR Double B Plus with Positive Outlook)	Rating Upgraded and Outlook revised from Positive to Stable	Simple
Total	65.85 (INR sixty five crore and eighty five 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

The upgrade in the rating assigned to the bank facilities of Ankush Shikshan Sanstha (ASS) is driven by improvement in the business performance of the entity in FY24 [FY refers to the period from April 01 to March 31] underpinned by effective cost management and steady improvement in intake and enrolment percentage driven by the positive demand outlook for education in India marked by significant demand for higher education. Further, the rating continues to derive comfort from its experienced management and established track record in successfully running educational institutions for over a decade in imparting education along with satisfactory infrastructure with association of experienced faculties. The rating also notes Ankush Shikshan Sanstha's comfortable capital structure supported by subordinated unsecured loans with satisfactory debt protection metrics. However, these rating strengths remain constrained by susceptibility of the business to regulatory risks, capital intensive nature of operation, exposure to intense competition and geographical concentration risk.

The stable outlook reflects expected steady business performance of the company marked by satisfactory student enrolment coupled with expected improvement in financial risk profile in the near term.



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Key Rating Sensitivities:

Upward factors

- Sustained improvement in scale of operations resulting from better percentage intake of students leading to rise in gross cash accruals
- Improvement in the capital structure and debt protection metrics marked by improvement in TOL/ATNW to below 1.5x with improvement in interest coverage ratio to above 4x

Downward Factors

- Moderation in scale of operations and/or moderation in profitability impacting the debt protection metrics on a sustained basis
- Withdrawal of subordinated unsecured loan amounting to Rs.18.00 crore
- Any unplanned capex and/or substantial increase in working capital borrowings leading to impairment in capital structure with adjusted overall gearing ratio moderated to over 2x and/or moderation in interest coverage to below 2.5x

List of Key Rating Drivers with Detailed Description

Key Rating Strengths:

- **Experienced management**

The promoters of the trust, the Raisonni group of Nagpur started their operations in the education sector in 1996. Mr. Sunil Raisonni, the main promoter and Chairman of ASS is highly experienced in the education sector with more than two decades of experience. He is actively involved in the management of the trust with support from Mr. Sudhakar Jagdale (Secretary) also having experience for over three decades. The day-to-day activities of the educational institutions are managed by respective Principals under the guidance of trustees.

- **Established track record of the entity of successfully running educational institutions for over a decade in imparting education**

ASS started its operations in 1996 with two educational institutes in Nagpur (1 in polytechnic and 1 in engineering). At present the entity consists of 4 colleges in Nagpur (GH Raisonni College of Engineering, GH Raisonni College of Engineering & Management, GH Raisonni Law School and GH Raisonni Institute of Life Sciences) with total strength of around 12,000 students across all colleges. Currently, all the colleges are affiliated to the Nagpur University and is approved by All India Council for Technical Education (AICTE) and National



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Assessment and Accreditation Council. Moreover, the flagship college of the trust, G.H. Raisoni College of Engineering has been accredited 'A++' grade by NAAC valid up to June 01, 2030, which increases its acceptability among students.

- **Satisfactory infrastructure with association of experienced faculties**

The institute under ASS 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 ASS have modern infrastructure including furnished hostels for boys and girls, transport & canteen facilities and latest tools & technologies.

- **Improvement in business performance in FY24**

Total operating income (TOI) of the entity though remained modest, had witnessed steady improvement over the past couple of years. Driven by improvement in intake percentage in its institutions, coupled with better enrolment in high value courses during FY24, the entity has registered y-o-y growth of ~19% in its topline from ~Rs.117.98 crore in FY23 to ~Rs.140.14 crore in FY24. Further, with improvement in top line, supported by effective cost management by merging two of its institutes from FY24, the operating margin of the entity has significantly improved and remained comfortable at 21.79% in FY24 as compared to 13.15% FY23. The adjusted PAT and GCA of the entity after nullifying the excess provision written off amounting to Rs.6.54 crore, stood at Rs.16.10 crore and Rs.25.33 crore respectively which was sufficient to serve the scheduled debt repayment obligation.

- **Comfortable capital structure with satisfactory coverage indicators**

As on March 31, 2024, after considering the subordinated unsecured loan of Rs.18.00 crore, and the long pending receivable amounting to Rs.2.31 crore, the adjusted net worth of ASS stood at Rs.59.86 crore. Despite increase in external debt on account of the capex undertaken, the adjusted overall gearing and TOL/ATNW has improved and stood at 1.27x and 2.71x respectively as on March 31, 2024, against 1.55x and 3.28x respectively of 31st March 2023. The interest coverage remained comfortable at 3.84 in FY24. Total debt to EBITDA and Total Debt to adjusted GCA have improved and remained satisfactory at 2.50x and 3.01 years respectively as on March 31, 2024.

- **Positive demand outlook for education in India marked by significant demand for higher education**

The long-term demand outlook of the education industry remains favourable on the back of a significant demand-supply gap in the higher education space augurs well for the group.



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Further, demand for higher education is likely to improve in India on the back of rising awareness, increasing population and better affordability.

Key Rating Weaknesses:

- **Susceptibility to regulatory risks**

The education sector is highly regulated and compliance with specific operational and infrastructure norms set by regulatory bodies are important. Any regulatory changes that impact the flexibility of the trust to fix fees for the management quota seats may adversely impact the revenue profile and cash accruals.

- **Capital intensive nature of operation**

Education sector needs regular investment in the workforce and infrastructure to upgrade its facilities and to conduct the operations efficiently. The average working capital utilization had remained high at ~96% for past twelve month ended December 2023.

- **Intense competition and geographical concentration risk**

The college under ASS faces intense competition from other colleges in attracting students and faculties. Further, it is also exposed to high geographical concentration risk due to presence of its institutes only in Nagpur. However, this risk is partly mitigated by the brand position enjoyed by the Rasoni group, as it has been operating since 1996.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

[Criteria of assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

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

[Criteria on Complexity](#)

Liquidity: Adequate

In FY24, ASS has earned a gross cash accrual of ~Rs.25.33 crore against scheduled debt repayment of ~Rs.6.29 crore. Further, backed by improved intake percentage and better debtor realization the liquidity position is expected to improve in the near term. Moreover, the cash accruals is also expected to remain sufficient to pay off its debt obligation. However, the entity has high average OD utilization which stood at ~92% during the past twelve month ended October 2024 indicating limited liquidity buffer.



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About the Company

Ankush Shikshan Sanstha (ASS), registered under Indian Trust Act, 1882, was established in 1996 by the Meghe Group and was later taken over by the Rasoni Group of Nagpur in 1998-99. On September 08, 2021, ASS is incorporated as a private company, and it is classified as Guarantee and Association company and is registered at Registrar of Companies of Mumbai. Presently four institutions namely, G.H. Rasoni Institute of Engineering & Management, G. H. Rasoni college of Engineering, G. H. Rasoni Law School and G.H. Rasoni Institute of Life Sciences are run by the entity. All the colleges are affiliated to the Nagpur University and is approved by All India Council for Technical Education (AICTE) and National Assessment and Accreditation Council.

Financials of Ankush Shikshan Sanstha (Standalone):

For the year ended* / As On	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	117.98	140.14
EBITDA	15.51	30.53
PAT	3.95	22.64
PAT (Adjusted)	3.95	16.10
Total Debt	66.74	76.24
Tangible Net worth	28.12	50.71
Tangible Net worth (Adjusted)	43.03	66.40
EBITDA Margin (%)	13.15	21.79
PAT Margin (%)	3.31	15.15
PAT Margin (%) (Adjusted)	3.31	10.77
Overall Gearing Ratio (x) (Adjusted)	1.55	1.27
Interest Coverage	2.54	3.84

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Brickwork ratings vide its press release dated March 11, 2024, has continued its rating under issuer not cooperating category due to non-submission of information by the company.

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Cr.)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Feb 22, 2024	Feb 02, 2023	-
1.	Secured Over Draft	Long Term	23.00	IVR BBB-/ Stable	IVR BB+/ Positive	IVR BB+/ Stable	-
2.	Term Loan	Long Term	39.56	IVR BBB-/ Stable	IVR BB+/ Positive	IVR BB+/ Stable	-
3.	Proposed	Long Term	3.29	IVR BBB-/ Stable	IVR BB+/ Positive	IVR BB+/ Stable	-

Analytical Contacts:

Name: Avik Podder

Tel: (033) 46022266

Email: apodder@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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.



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Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Cr)	Rating Assigned/ Outlook
Secured Overdraft	-	-	-	23.00	IVR BBB-/ Stable
Term Loan	-	-	FY 2032	39.56	IVR BBB-/ Stable
Proposed Fund Based	-	-	-	3.29	

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-ankushshikshan-dec24.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

Not Applicable

Annexure 4: List of companies considered for consolidated/combined 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 www.infomerics.com