



Press Release

Master Nihal Singh Memorial Education Society

February 20th, 2024

Ratings

Sl. No.	Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
1.	Long Term Bank Facility	75.00	IVR B/Stable	IVR D	Upgraded	Simple
	Total	75.00	Rupees Seventy Five Crore Only			

Details of Facilities are in Annexure 1

Detailed Rationale

Infomerics Valuation and Rating Private Limited (IVR) has upgraded the rating at IVR B/Stable for the bank loan facility of Master Nihal Singh Memorial Education Society (MNSMES).

The rating assigned to the bank facilities of Master Nihal Singh Memorial Education Society draws comfort from reputed group name and satisfactory infrastructure coupled with experienced facilities. However, these strengths are partially offset by poor debt protection metrics and deficit reported by the society, exposure to intense competition and stringent regulatory framework for education sector in India.

IVR has principally relied on the audited financial results of MNSMES up to 31 March 2023, projected financials for FY24, FY25 and FY26, and publicly available information/ clarifications provided by the company's management

Key Rating Sensitivities:

Upward Factors

- Improvement in enrolments rates there by adding to the growth in operations and profitability.
- Sustenance of overall gearing below 0.70x.

Downward Factors



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

List of Key Rating Drivers with Detailed Description

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 segments such as hospitality, education, retail, residential and commercial.

Satisfactory infrastructure coupled with experienced faculties

Master Nihal Singh Memorial Education 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 & canteen facilities and latest tools & technologies.

Key Rating Weaknesses

Poor Debt Protection Metrics and Deficit Reported by the Society

The debt protection parameters remained at an average level i.e., ISCR & DSCR at 0.53x & 0.51x in FY23 as against 1.36x & 1.28x in FY22 respectively. The Society reported net deficit of Rs.7.12 crore in FY23 as against net profit of Rs.0.35 crore in FY22.



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Exposure to intense competition and stringent regulatory framework for the educational sector in India

The society faces intense competition from other institutions offering similar courses. Given the competition, the ability of the 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.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Service Sector Entities](#)

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

[Criteria of assigning rating outlook](#)

[Policy on default recognition and curing period](#)

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. 0.57 Crore as on March 31, 2023. The current ratio of the firm is moderate at 3.20 as on March 31, 2023.

About the Company

Master Nihal Singh Memorial Education Society was incorporated on 23rd October 2002 under the Societies Registration Act NCT of Delhi, New Delhi vide Certificate of Registration No.S-44172 of 2002 as a Trust with the main object of carrying on business of Education. The registered office of the Trust is situated at 1/7, Sarvapriya Vihar New Delhi- 110016

Financials (Standalone):

(Rs. Crore)



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For the year ended* / As on	31-3-2022	31-3-2023
	(Audited)	(Audited)
Total Operating Income	16.26	9.45
EBITDA	12.44	4.24
PAT	0.35	-7.12
Total Debt	81.64	77.18
Tangible Net worth	130.72	123.75
EBIDTA Margin (%)	76.51	44.84
PAT Margin (%)	2.07	-75.35
Overall Gearing Ratio (x)	0.62	0.62

*Classification as per Infomerics` standards

Status of non-cooperation with previous CRA: Brickwork Ratings in its press release dated September 28th, 2023 has reaffirmed the rating of Master Nihal Singh Memorial Education Society to "Issuer Not Cooperating" category due to non-availability of adequate information.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)				Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Rating (August 31,2023)	Date(s) & Rating(s) assigned in 2022-23 (Aug 24,2022)	Date(s) & Rating(s) assigned in 2021-22(Sept 01,2021)	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long Term	75.00	IVR B/Stable	IVR D	IVR D	IVR D	-

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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



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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 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
Long Term Bank Facilities – Term Loan	-	-	March,2031	75.00	IVR B/Stable

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-masternihal-feb24.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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.