

December 12, 2025

MNR Research Conventions (P) Ltd.: Ratings reaffirmed; rated amount enhanced and removed from Issuer Non-Cooperating category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Term loan	0.00	84.50	[ICRA]BBB (Stable); reaffirmed/assigned for enhanced amount; removed from Issuer Not Cooperating category
Long-term/Short-term – Non-fund based facility	60.00	14.50	[ICRA]BBB (Stable)/[ICRA]A3+; reaffirmed and removed from Issuer Not Cooperating category
Total	60.00	99.00	

*Instrument details are provided in Annexure-I

Rationale

While arriving at the rating, ICRA has taken a consolidated view of the MNR Group (MNRG), which includes MNR Educational Trust (MET), MNR Datamight Private Limited (MNR DMPL), MNR Research Conventions (P) Ltd (MNR RCPL), along with its wholly-owned subsidiary MNR Teach Trillion DMCC (MNR TT).

The reaffirmation of the ratings, along with the removal of the ratings from the "Issuer Not Cooperating" category, factor in the resumption of cooperation by the company in terms of information sharing. The ratings note the established presence of the MNR Group in the education sector, supported by its diversified operations ranging from pre-schooling to post-graduation courses in medical, engineering, pharmacy, nursing, and healthy enrolment ratio of around 88% in FY2025. The rating reaffirmation considers the growth in the Group's revenues, which stood at Rs. 266 crore in FY2025 compared to Rs. 210 crore in FY2023, aided by increase in fees across streams and stable student strength. The profitability metrics have improved significantly, with operating margins and net margins increasing to 39% and 29%, respectively, in FY2025 compared to 23% and 6% in FY2023, aided by higher operating revenue, lower interest costs and tax exemption benefits. The healthy financial risk profile, characterised by strong cash accruals and low external debt, continues to support the ratings. The performance is expected to be healthy in FY2026 as well, driven by an increase in admissions under MNR University and its planned expansion into new streams such as business management and law from FY2026. The Government of Telangana granted university status to MNR Educational Trust in August 2024, establishing MNR University as a sponsored entity of the Trust. The University has received approval from University Grants Commission (UGC), and academic programmes under MNR University commenced in 2024. The Group is expected to take up majority of admission from AY2027-2028 (academic year) under the University, which is expected to improve the operating revenues and margins going forward, given the higher fee structure for university courses compared to affiliated programmes. The existing affiliated courses will be phased out in a structured manner, facilitating a smooth transition to MNR University.

The Group's debt coverage indicators improved with an interest coverage of 21 times and Total Debt/OPBDITA of 1.0 times as on March 31, 2025, owing to healthy operating surplus and scheduled repayment of loans. Its overall financial profile is expected to remain healthy in the medium term, supported by the likely growth in admissions under MNR University and stabilisation of operations at Mantena American School (MAS) in Sharjah. Additionally, the Group is planning to undertake significant capex over the next four years to expand the university infrastructure, which is expected to strengthen its long-term positioning in the higher education segment.

The ratings are, however, constrained by the large debt-funded capex planned for developing infrastructure facilities for MNR University over the next four years, which exposes the Group to execution and funding risks. The Group is expected to incur capital expenditure of around Rs. 600 crore for constructing an academic building and hostels at the existing Sangareddy

campus. The same is expected to be funded by a debt of around Rs. 400 crore and the remaining through internal cash accruals. The Group has already tied-up debt of around Rs. 325 crore and the balance is likely to be tied-up in FY2026. The healthy cash accruals, along with available liquidity of around Rs. 60 crore is expected to support the capex plans of the Group in the medium term. Further, the Group's ability to ramp up admissions of MNR University and generate commensurate revenues will be critical for maintaining healthy surplus margins as well as leverage and coverage metrics. Moreover, the Group remains exposed to regulatory risks associated with stringent compliance requirements of the Medical Council of India and other relevant authorities. ICRA notes the potential mismatch in cash flows, as the company receives lump-sum fee collections while debt servicing obligations are quarterly, necessitating prudent liquidity management. Nevertheless, the presence of adequate bank balances and overdraft facilities provides comfort against volatility in cash flows.

The Stable outlook reflects ICRA's belief that the Group's credit profile will benefit from the healthy enrolment ratios and ramp-up of operations at the MNR University.

Key rating drivers and their description

Credit strengths

Established presence of MNR Group in education segment and healthy enrolment levels – The MNR Group has an established track record of over 40 years in the education sector, offering a comprehensive range of courses from pre-schooling to post-graduation through its institutions. Its medical, dental, and allied health science colleges, along with engineering and technology courses, are located within a 110-acre integrated campus in Sangareddy district, Telangana. The occupancy in medical education courses such as MBBS, BDS, BHMS, MD/MS, and MDS remains strong at above 90%, supporting stable revenue generation. After a temporary decline in FY2021 due to the pandemic's impact on fee collections, the Group has witnessed healthy revenue growth over the last two years, increasing to Rs. 266 crore in FY2025 from Rs. 210 crore in FY2023, aided by increase in fees across streams and stable student strength. The overall Group's enrolment ratios remained healthy at 82% and 83% in FY2023 and FY2024 respectively, which further improved to around 88% in FY2025.

Healthy financial risk profile – The Group's financial risk profile remains healthy, supported by higher operating margins, robust cash accruals, and low external debt. The operating margins and net margins improved to 39% and 29% respectively in FY2025 compared to 23% and 6% in FY2023, supported by higher operating revenue, lower interest costs and tax exemption benefits. The debt coverage indicators are comfortable, with an interest coverage of 21 times and Total Debt/OPBDITA of 1.0 times as on March 31, 2025, providing adequate cushion for planned capital expenditure. While the leverage and coverage metrics are expected to moderate over the medium term, given the large debt-funded capex, these are likely to remain comfortable and in commensurate for the rating category, as per ICRA's estimates.

Credit challenges

Risk associated with large debt funded capex and ramp up in admissions of new university – The Group is expected to incur a capital expenditure of around Rs. 600 crore over the next four years for the construction of the academic building and hostels for MNR University at their existing Sangareddy campus, and the same is expected to be funded by a debt of around Rs. 400 crore and the remaining through internal cash accruals. The Group has already tied-up debt of around Rs. 325 crore and the balance is likely to be tied-up in FY2026. The healthy cash accruals, along with available liquidity of around Rs. 60 crore, is expected to support the capex plans of the Group. Further, the ability of the Group to ramp up admissions in the new university and generate commensurate revenues will be critical to maintaining healthy surplus margins as well as leverage and coverage metrics. Any delay in the construction and ramp up of university admissions could adversely impact the financial risk profile.

Strict regulations in education sector along with intense competition – The education sector in India is highly regulated, with stringent compliance requirements from bodies such as the Medical Council of India and other statutory authorities. Further, the Group faces intense competition from established players in the medical and higher education segments, which could exert pressure on enrolments and fee structures over the medium term. However, this risk is partly mitigated by the Group's established track record of 40 years in operating educational institutions and strong regional presence.

Volatility in cash flows – The Group’s cash flows are inherently exposed to timing mismatches, as fee collections are largely received in lump-sum at the beginning of academic sessions, while debt servicing obligations are quarterly. This necessitates prudent liquidity management to ensure timely repayments. While the presence of adequate bank balances and sanctioned overdraft limits provides some comfort, the risk of volatility in cash flows remains, especially during periods of high capital expenditure.

Liquidity position: Adequate

The Group’s liquidity position is adequate with cash and liquid investments of Rs. 61.3 crore and undrawn working capital limits of Rs. 8.0 crore as of March 31, 2025. It has repayment obligations of around Rs. 3.63 crore in FY2026 and can be comfortably met from cash flows from operations. The Group has large capex plans over the next four years and is comfortably placed to fund this capex through external debt, internal cash accruals and available liquidity.

Rating sensitivities

Positive factors – The ratings may be upgraded if the Group demonstrates a significant growth in revenue receipts and operating margins and improvement in surplus levels, on the back of ramp-up in operations of MNR University.

Negative factors – The ratings may be downgraded if there is any decline in the revenue receipts, operating margins and surplus, which would impact the overall Group’s financial risk profile. Further, higher than expected debt funded capex impacting the leverage and coverage metrics of the Group would be credit negative.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Higher Education
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has taken a consolidated view of the MNR Group (MNRG), which includes MNR Educational Trust (MET), MNR Datamight Private Limited (MNR DMPL), MNR Research Conventions (P) Ltd (MNR RCPL), along with its wholly owned subsidiary MNR Teach Trillion DMCC (MNR TT)

About the company

The MNR Group is promoted by Mr. M.N. Raju (Chairman) and his son Mr. M.S. Ravi Verma (Vice Chairman). The MNR Educational Trust (MET) was established in 1992 by Mr. Raju. At present, it runs schools, junior and degree colleges, postgraduate colleges and teacher training colleges. It also provides medical and engineering education and operates a teaching hospital at Sangareddy, Telangana. There are ~25 institutions under the Trust, which are located primarily in Hyderabad. In August 2024, the Government of Telangana granted university status to MNR Educational Trust under the name MNR University, which operates as a sponsored body of the Trust.

MNR Research Conventions Pvt. Ltd. (MNR RCPL) was incorporated in 2015. It operates 30 playschools under the MNR Golden Kids label and conducts pre-primary teacher training courses in Hyderabad and Navi Mumbai. MNRRCPL has a subsidiary, MNR Teach-Trillion DMCC, which owns a talent and skill development institute in the UAE and has constructed an American curriculum school named Mantena American School in Muwaileh Area, Sharjah.

MNR Datamight Private Limited (DMPL) was incorporated in September 2017. At present, DMPL provides various services to the Trust, such as civil construction works and other support services, including transportation facilities for students and management of canteen and mess facilities in several schools and colleges of the Group.

Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	223.1	265.9
PAT	47.6	76.2
OPBDIT/OI	36.9%	38.8%
PAT/OI	21.3%	28.7%
Total outside liabilities/Tangible net worth (times)	0.4	0.3
Total debt/OPBDIT (times)	1.4	1.0
Interest coverage (times)	7.3	20.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Dec 12, 2025	Date	Rating	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
Fund based – Term loan	Long Term	84.50	[ICRA]BBB (Stable)	-	-	-	-	-	-	-	-
Non-fund based facility	Long Term/ Short Term	14.50	[ICRA]BBB (Stable)/ [ICRA]A3+	May 30, 2025	[ICRA]BBB (Stable) Issuer Not Cooperating / [ICRA]A3+ Issuer Not Cooperating	-	-	Feb 15, 2024	[ICRA]BBB (Stable)/ [ICRA]A3+	Feb 28, 2023	[ICRA]BB+ (Stable)/ [ICRA]A4+ Issuer Not Cooperating

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund based – Term loan	Simple
Long-term/Short-term – Non-fund based facility	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term – Term loans	31-10-2025	NA	FY2036	84.50	[ICRA]BBB (Stable)
NA	Non Fund based facility	NA	NA	NA	14.50	[ICRA]BBB (Stable)/ [ICRA]A3+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
MNR Educational Trust	100%	Full Consolidation
MNR Teach Trillion DMCC	MNR RCPL - 97.36% Mr. M.N. Raju - 1.30% Mr. M.S. Ravi Verma - 1.34%	Full Consolidation
MNR Datamight Private Limited	Mr. M.N. Raju - 50% Mr. M.S. Ravi Verma - 50%	Full Consolidation

Source: MNR Educational Trust

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@icraindia.com

M Rajashekar Reddy

+91 40 6939 6423

m.rajashekarreddy@icraindia.com

KBS Siva Krishna

+91 40 6939 6415

k.krishna@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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