

August 03, 2021

A.H. Memorial Educational Trust: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based- Cash Credit	16.00	16.00	[ICRA]BBB+(Negative); withdrawn
Long Term - Fund Based- Term Loan	319.28	319.28	[ICRA]BBB+(Negative); withdrawn
Long Term- Unallocated	0.42	0.42	[ICRA]BBB+(Negative); withdrawn
Total	335.70	335.70	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of A.H. Memorial Educational Trust at the request of the company and based on the No Objection Certificate received from the bankers. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	The ratings are based on consolidated financial statements of A.H. Memorial Educational Trust and Presidency University.

About the company

Registered in 1986, AHMET operates five schools (four in Bangalore and one in Mangalore) and one college (in Bangalore) under its umbrella. It offers undergraduate and post-graduate courses in commerce, science, arts, computer applications and business management, along with primary and secondary education. The Group of institutions under the trust is known by the name– Presidency. At present, it has six-member trustees, with Mr. Nissar Ahmed as its current Chairman. AHMET has recently established Presidency University, which commenced operations in academic year 2015- 2016. The university offers courses in management, engineering and law.

Key financial indicators

AHMET (Consolidated)	FY2020*	6M FY2021*
Operating Income (Rs. crore)	278.47	138.35
PAT (Rs. crore)	5.28	18.34
OPBDIT/OI (%)	18.66%	35.43%
RoCE (%)	7.15%	17.50%
Total Outside Liabilities/Tangible Net Worth (times)	2.05	1.70
Total Debt/OPBDIT (times)	5.91	3.35
Interest Coverage (times)	2.68	2.79
DSCR (times)	1.50	2.11

Source: A.H. Memorial Educational Trust, *Provisional

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs.Crore)	Amount Outstanding (Rs.Crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					03-Aug-21			
1	Fund Based-Cash Credit	Long Term	16.00	-	[ICRA]BBB+ (Negative); Withdrawn	[ICRA]BBB+ (Negative)	[ICRA]BBB+ (Negative)	[ICRA]A- (Stable)
2	Fund Based-Term Loan	Long Term	319.28	_*	[ICRA]BBB+ (Negative); Withdrawn	[ICRA]BBB+ (Negative)	[ICRA]BBB+ (Negative)	[ICRA]A- (Stable)
2	Unallocated	Long Term	0.42	-	[ICRA]BBB+ (Negative); Withdrawn	[ICRA]BBB+ (Negative)	[ICRA]BBB+ (Negative)	[ICRA]A- (Stable)

*Information not available

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term- Fund Based- Cash Credit	Simple
Long Term- Fund Based- Term Loan	Simple
Long Term -Unallocated	Not Applicable

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 analyzing 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, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	16.00	[ICRA]BBB+ (Negative); Withdrawn
NA	Term Loan	FY2014	-	FY2029	319.28	[ICRA]BBB+ (Negative); Withdrawn
NA	Unallocated	NA	NA	NA	0.42	[ICRA]BBB+ (Negative); Withdrawn

Source: (A.H. Memorial Educational Trust)

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
A.H. Memorial Educational Trust	100.00%	Full Consolidation
Presidency University	100.00%	Full Consolidation

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