

May 12, 2023

Shri Vile Parle Kelavani Mandal: Update on Material Event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. Crore)	Current Rated Amount (Rs. Crore)	Rating Outstanding
Long-term Fund-based - Term Loan	745.16	745.16	[ICRA]AA-; Rating Watch with Negative Implications
Long-term Fund-based - Cash Credit	40.00	40.00	[ICRA]AA-; Rating Watch with Negative Implications
Short-term - Fund-based Overdraft	104.60	104.60	[ICRA]A1+; Rating Watch with Negative Implications
Long-term/short-term - Unallocated	175.24	175.24	[ICRA]AA-; Rating Watch with Negative Implications / [ICRA]A1+; Rating Watch with Negative Implications
Total	1,065.00	1,065.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has noted the banker's feedback, highlighting an instance of delay in debt servicing on term loan by Shri Vile Parle Kelavani Mandal (SVKM). As confirmed by the banker and the management of SVKM, ICRA understands that this delay was purely on account of technical reasons at the bank's end because of which the overdraft account was not debited on the due date. SVKM was carrying adequate liquidity on its balance sheet on the stipulated due date and had given requisite payment instructions to the bank.

ICRA has an outstanding rating of [ICRA]AA-/ [ICRA]A1+ on Watch with Negative Implications for the Rs. 1,065-crore bank facilities availed by the trust. The ratings remain unchanged as SVKM's liquidity position is adequate to service debt obligations and the delays were purely because of technical reasons. ICRA is of the view that if the occurrence of a delay or a missed payment by an entity is solely because of technical reasons beyond the control of that entity, then such an occurrence is not treated as a default.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position and rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Entities in the Higher Education Sector
Parent/Group Support	Not applicable
Consolidation/Standalone	Standalone

About the company

Established in 1934, SVKM is a public charitable trust registered under the Societies Registration Act, 1860, and the Bombay Public Trust Act, 1950. The trust is headed by Mr. Amrish Patel and operates 65 educational institutes at various levels starting from pre-primary to post-graduation with NMIMS (Deemed-to-be-University) being the flagship institution. The student strength stood at 1,23,178 in AY2021-22. NMIMS has institutes spread across Mumbai, Shirpur, Dhule, Bangalore, Hyderabad, Jadcherla, Indore and Chandigarh.

Key financial indicators

Standalone financials	FY2021 (Audited)	FY2022 (Audited)
Operating Income (Rs. crore)	1,166.9	1,592.8
PAT (Rs. crore)	297.4	526.3
OPBDIT/OI (%)	46.6%	49.7%
PAT/OI (%)	25.5%	33.0%
Total Outside Liabilities/Tangible Net Worth (times)	0.9	0.7
Total Debt/OPBDIT (times)	1.7	1.0
Interest Coverage (times)	7.6	14.1

Source: Company; 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 Rating (FY2024)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. Cr.)	Amount Outstanding (Rs. Cr.)	Date & Rating		Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021
					12-May-2023	26-Apr-2023		13-Mar-2023	13-Jan-2022	
1	Fund-based Term Loans	Long Term	745.16	454.10*	[ICRA]AA-@	[ICRA]AA-@	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	-
2	Fund-based Cash Credit	Long Term	40.00	-	[ICRA]AA-@	[ICRA]AA-@	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	-	-
3	Fund-based Overdraft	Short Term	104.60	-	[ICRA]A1+@	[ICRA]A1+@	[ICRA]A1+	[ICRA]A1+	-	-
4	Non-fund-based Letter of Credit	Short Term	-	-	-	-	-	[ICRA]A1+	-	-
5	Unallocated Limits	Long Term/Short Term	175.24	-	[ICRA]AA-@ [ICRA]A1+@	[ICRA]AA-@ [ICRA]A1+@	[ICRA]AA-(Stable)/ [ICRA]A1+	-	-	-

@Rating Watch with Negative Implications; *as on February 28, 2023

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund-based Term Loans	Simple
Fund-based Cash Credit	Simple
Fund-based Overdraft	Simple
Unallocated Limits	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: [Click Here](#)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Cr.)	Current Rating and Outlook
NA	Fund-based Term Loans	FY2019	7.85-9.00%	FY2030	745.16	[ICRA]AA-; Rating Watch with Negative Implications
NA	Fund-based Cash Credit	-	-	-	40.00	[ICRA]AA-; Rating Watch with Negative Implications
NA	Fund-based Overdraft	-	-	-	104.60	[ICRA]A1+; Rating Watch with Negative Implications
NA	Unallocated Limits	-	-	-	175.24	[ICRA]AA-; Rating Watch with Negative Implications/[ICRA]A1+; Rating Watch with Negative Implications

Source: Company

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

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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