

August 03, 2023

Maharishi Markandeshwar Trust: Update on Material Event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term – Unallocated limits	290.00	290.00	[ICRA]A+ (Stable)
Total	290.00	290.00	

*Instrument details are provided in Annexure-I

Rationale

Material Event

ICRA came across a few media articles and Himachal Pradesh Private Educational Institutions Regulatory Commission's (HPPEIRC) order wherein the commission has directed the Maharishi Markandeshwar Trust (MMT) to refund the excess fee of Rs. 0.36 crore charged from two former MBBS students and also levied a penalty of Rs. 1 crore, which is required to be paid in the next three months. Further, the commission determined a total excess fee charge of Rs. 103.96 crore over the past eight years from around 1,200 students and directed them to approach the college for refund of the same.

Impact of Material Event

At present, ICRA has a rating of [ICRA]A+ (Stable) outstanding for the bank facilities of MMT. Based on discussions with the management, ICRA understands that the entity is in the process of appealing against the current order of HPPEIRC. Moreover, it has been an ongoing case for the last two financial years and the same has not impacted admissions in the past. Admission for the current year is expected to start from August 2023. The liquidity of the Trust continues to remain strong with free cash and bank balance of over Rs. 550 crore as of July 2023. ICRA takes cognisance of the said matter and will continue to closely monitor any further development related to this event and take appropriate rating action, if necessary.

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

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Higher Education Sector
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Maharishi Markandeshwar Trust (MMT), established in 1993 as Maharishi Markandeshwar Education Trust, offers more than 50 professional courses to over 16,000 students.

The Trust's operations span across three universities at Mullana, Sadopur and Solan, under the brand, Maharishi Markandeshwar. The Trust also operates three schools under the MM International School brand in Mullana, Karnal and Solan. While the Trust operates a deemed-to-be university in Mullana, the universities in Sadopur and Solan are state private universities, established in 2010 under the Government of Haryana and the Government of Himachal Pradesh, respectively, and approved by the University Grants Commission (UGC). The universities offer engineering, medicine, dental sciences, management, hotel management, law and teacher education courses. The schools under the Trust's ambit are affiliated to the Central Board of Secondary Education (CBSE) and the Cambridge International Examinations (C.I.E). Moreover, a 1,140-bedded hospital is attached to the medical college at the Mullana campus, and a 720-bedded hospital is attached to the medical college at the Solan campus. Sadopur's new Medical College Ambala has a 428-bedded hospital with new batch of MBBS commencing from AY2024. MMT has been accredited by the National Assessment and Accreditation Council (NAAC) with Grade A++ in the second cycle of assessment.

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. crore)	Amount outstanding as of Mar 31, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
					Aug 03, 2023	May 17, 2023			
						-	Feb 18, 2022	Oct 30, 2020	
1	Bank Guarantee	Long term	-	--	-	-	-	-	[ICRA]A+ (Stable)
2	Unallocated Limits	Long term	290.00	--	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	-	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Unallocated Limits	NA

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 – Unallocated Limits	-	-	-	290.00	[ICRA]A+ (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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