

August 04, 2023

The ICFAI Society: Change in Limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based- Term Loan	14.65	25.00	[ICRA] A+ (Stable); Outstanding
Long Term – Fund Based/Cash Credit	80.00	80.00	[ICRA] A+ (Stable); Outstanding
Long Term – Unallocated	215.35	205.00	[ICRA] A+ (Stable); Outstanding
Total	310.00	310.00	

*Instrument details are provided in Annexure-I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

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, and key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Higher Education Sector Rating approach - Consolidation
Parent/Group support	Not Applicable
Consolidation/Standalone	The ICFAI Group is considered to share a common credit profile because of the strong operational and financial linkages among the entities. Also, all the entities operate as an extended arm of the sponsor with separate legal existence for regulatory and operational reasons. The list of entities considered while taking a consolidated view has been given in Annexure II.

About the company

The ICFAI Society was established as a not-for-profit society in 1984. It commenced operations with the launch of the Chartered Financial Analyst (CFA) programme in 1985. Over the years, The ICFAI Society has sponsored and introduced several courses under different institutions and universities. Initially, three key not-for-profit entities were established—ICFAIAN Foundation, ICFAI Academy and ICFAI Foundation for Higher Education—offering various courses at undergraduate and post-graduate levels. ICFAI Academy ceased operations from FY2011 and ICFAIAN Foundation from FY2020. Over the last decade, it has established various state private universities under the respective state legislature acts across India.

The ICFAI Foundation covered the operations of six IBS centres (IBS Bangalore transferred to The ICFAI Society from FY2016) that were located across India (Mumbai, Pune, Gurgaon, Kolkata and Ahmedabad). With effect from October 1, 2019, the operations of the other five IBS centres (Mumbai, Pune, Gurgaon, Kolkata and Ahmedabad) were also transferred to The ICFAI Society.

In addition, the society has other private state universities offering various courses. Ten “ICFAI Universities” were established as state private universities by the respective state legislature acts in Uttarakhand, Tripura, Sikkim, Meghalaya, Mizoram, Nagaland, Jharkhand, Jaipur, Raipur and Himachal Pradesh.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2024)			Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Amount outstanding as of July 31, 2023 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022			Date & rating in FY2021	
						Aug 04, 2023	Dec 30, 2022	Sep 30, 2021		Apr 01, 2021
1	Cash Credit	Long term	80.0	-	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	-
2	Term Loan	Long term	25.0	4.82	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
3	Unallocated	Long term	205.0	--	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)

Complexity level of the rated instruments

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 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	Cash Credit	NA	NA	NA	80.00	[ICRA]A+ (Stable)
NA	Term Loan	FY2023	NA	FY2029	25.00	[ICRA]A+ (Stable)
NA	Unallocated	NA	NA	NA	205.00	[ICRA]A+ (Stable)

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
The ICFAI Society	-	Full Consolidation
ICFAI Foundation for Higher Education	-	Full Consolidation
ICFAI University Jaipur	-	Full Consolidation
ICFAI University Sikkim	-	Full Consolidation
The ICFAI University Dehradun	-	Full Consolidation
The ICFAI University Jharkhand	-	Full Consolidation
The ICFAI University Mizoram	-	Full Consolidation
The ICFAI University Nagaland	-	Full Consolidation
The ICFAI University Meghalaya	-	Full Consolidation
The ICFAI University Raipur	-	Full Consolidation
The ICFAI University Tripura	-	Full Consolidation
ICFAI University Himachal Pradesh	-	Full Consolidation

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