

January 13, 2025

Manipal Academic Services International: Ratings continues to remain under issuer Non-Cooperating category, Rating downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Term Loan	1,042.00	1,042.00	[ICRA]BB+(Stable) ISSUER NOT COOPERATING*; rating downgraded from [ICRA] BBB+ (Stable) ISSUER NOT COOPERATING; Rating continues to remain under 'Issuer Not Cooperating' category
Total	1042.00	1042.00	

*Issuer did not cooperate; based on best available information; [^]Instrument details are provided in Annexure-1

Rationale

ICRA has downgraded the rating for the bank facilities of Manipal Academic Services International and the rating continues to remain under 'Issuer Not Cooperating' category. The rating is denoted as '[ICRA] BB+ (Stable); ISSUER NOT COOPERATING'.

The rating downgrade is because of lack of adequate information regarding MASI's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution, while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Manipal Academic Services International, ICRA has been trying to seek information from the entity so as to monitor its performance, however, requisite information is yet to be received. Accordingly, in the absence of requisite information and in line with the policy of ICRA, the rating action has been taken based on the best available information. As and when the entity shares the requisite information with ICRA, the rating will be reviewed.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology – Higher Education Rating Policy in respect of non-cooperation by the rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of MASI along with its group entities i.e., Manipal Education Americas, Manipal Education (Mauritius) Private Limited, Manipal Global Education Services Private Limited and Unext Learning Private Limited given the close operational and managerial linkages between them.

About the company

Manipal Academic Services International is a Mauritius-based holding company, which belongs to the Manipal Education and Medical Group. Manipal Global Education Services Private Limited (94% shareholding), Unext Learning Private Limited (Unext), Manipal Education Americas LLC (100% shareholding) are its major income generating subsidiaries. Its key operating assets comprise universities and educational institutions spread across India, Malaysia, Antigua and Dubai.

Key financial indicators (audited)

Manipal Academic Services International (Consolidated) (Figures in USD Million)	FY2023	FY2024
Operating income	212.4	160.4
PAT	- 648.5	108.4
OPBDIT/OI	8.1%	2.5%
PAT/OI	-305.4%	67.6%
Total outside liabilities/Tangible net worth (times)	1.2	1.6
Total debt/OPBDIT (times)	30.0	199.0
Interest coverage (times)	0.6	0.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in USD Million; 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

Current (FY2025)							Chronology of rating history for the past 3 years					
			FY2025				FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs. cr)	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	1042.0	January 13, 2025	[ICRA] BB+ (Stable); ISSUER NOT COOPERATING	June 28, 2024	[ICRA] BBB+ (Stable); ISSUER NOT COOPERATING	-	-	Mar 27, 2023	[ICRA] BBB+ (Stable)	Dec 31, 2021	[ICRA] BBB+ (Stable)
Unallocated	Long Term	-	-	-	-	-	-	-	March 27, 2023	[ICRA] BBB+ (Stable)	Dec 31, 2021	[ICRA] BBB+ (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term Fund-based – Term Loan	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, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Term Loan	Aug 2019	NA	FY2024	1,042.00	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING

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	MA SI	Consolidation Approach
	Ownership	
Manipal Academic Services International	100.00% (Rated Entity)	Full Consolidation
Manipal Education Americas LLC (MEA)	100.00%	Full Consolidation
American University of Antigua (AUA)	100.00%	Full Consolidation
Manipal Global Education Services Private Limited (MAGE)	94.24%	Full Consolidation
Manipal Education (Mauritius) Private Limited (MEMPL)	100.00%	Full Consolidation
JVMC Corporation SDN BHD (JVMC)	90.00%	Full Consolidation
Manipal Integrated Services Malaysia SDN BHD	90.00%	Full Consolidation
Manipal Education (MENA) FZ LLC	100.00%	Full Consolidation
Manipal Education & Medical Group (Nepal) Private Limited	99.98%	Full Consolidation
JVMC Muar SDN BHD	90.00%	Full Consolidation
Manipal Education Malaysia SDN BHD (MEM)	70.00%	Full Consolidation
Unext Learning Private Limited	65.70%	Full Consolidation
EduNxt Global SDN BHD	70.00%	Full Consolidation
Joulestowatts Business Solutions Private Limited	15.79%	Equity Method

Source: Company

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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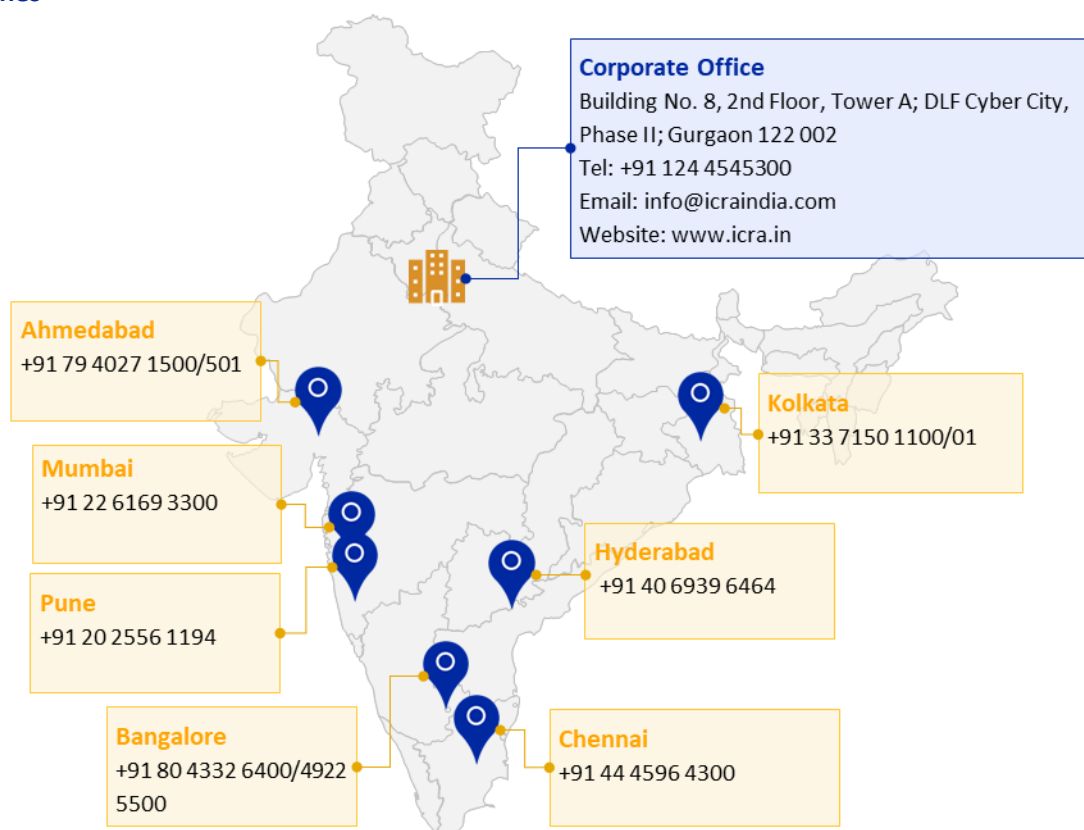
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