

October 31, 2025

AISECT Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash credit	2.00	2.00	[ICRA]BBB-(Stable); reaffirmed
Long-term – Fund-based – Dropline overdraft	12.91	11.82	[ICRA]BBB-(Stable); reaffirmed
Long-term – Fund-based – Term loan	9.98	9.19	[ICRA]BBB-(Stable); reaffirmed
Short-term – Non-fund based – Bank guarantee	13.00	13.00	[ICRA]A3; reaffirmed
Long-term – Unallocated	17.61	19.49	[ICRA]BBB-(Stable); reaffirmed
Total	55.50	55.50	

*Instrument details are provided in Annexure-I

Rationale

The reaffirmation of the ratings for AISECT Limited (AISECT) continues to consider its healthy debt protection metrics with OPBDITA/Interest at 8.3 times, DSCR at 5.1 times and net debt free status as on March 31, 2025 with moderate leverage (TOL/TNW at 0.8 times) as on March 31, 2025 (provisional), and expectation of continuation of the same. A predominant share of its revenue (about 60%) is derived from the banking kiosks and Radio Frequency Identification (RFID) tag services, which reported segmental growth of 14-16% each in FY2025, and is likely to grow steadily in the coming years, supported by increasing thrust on banking penetration in the rural market. The ratings continue to favourably factor in the company's established relationship with a reputed and a diversified customer base, which includes National Skill Development Corporation (NSDC) and nationalised banks. ICRA takes note of AISECT being a part of the AISECT Group¹, led by the AISECT Society, which offers degree, diploma and certificate courses through its various institutions, reflecting an extensive experience of promoters for more than three decades in the education industry. Also, there are multiple institutions of the AISECT Group under its management for providing online services and selling books to the Group's students. AISECT reported around 28% growth in overall revenue during FY2025 and ICRA expects around 10-12% YoY revenue growth over FY2026-FY2027, supported by growth across all key business verticals. Further, profitability stood improved to 9.4% in FY2025 (FY2024: 8.8%) and is expected to sustain at 9-10% over the medium term.

The ratings, however, remain constrained by the moderate scale of the company's operations (despite healthy YoY growth), its low net worth base of about Rs. 74.4 crore as on March 31, 2025 (provisional), and sizeable investments in the past in non-core businesses. Moreover, its revenue is highly dependent on the income earned from banking kiosk services, RFID tags and skill training courses provided under various Government schemes, which are very competitive and limits its pricing flexibility. The revenue from the banking kiosk service is exposed to regulatory risk as any adverse change in the Reserve Bank of India's (RBI's)/ bank's guidelines/ policies may materially impact the company's revenue and profitability.

ICRA notes that AISECT is undertaking a capex for constructing a commercial office complex (for self-use and partial lease out) at a total project cost of around Rs. 10-12 crore, which would be primarily funded through internal accruals. The construction work of the project is expected to commence from H2 FY2026 and is likely to take about 2-3 years to complete. The company would be exposed to project execution risks and associated market risks. The rating also factors in AISECT's entry into unrelated businesses such as the commercial office complex and the recently commenced High-Density Polyethylene/ Polyvinyl Chloride

¹ The AISECT Group includes six Universities offering higher education and skill development courses from campuses in Madhya Pradesh, Chhattisgarh, Bihar and Jharkhand.

(HDPE/ PVC) pipe manufacturing facility. The pipe manufacturing lines currently operates at sub-optimal capacity and remain a drag on the overall profitability and return metrics. Going forward, any large non-core investments, which could materially impact leverage or return metrics will be a credit negative and remain a key rating monitorable.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company is likely to sustain its operating metrics and its debt protection metrics commensurate with the rating level, driven by low leverage, steady revenue growth and profitability.

Key rating drivers and their description

Credit strengths

Established business linkages with reputed and diversified customer base – The trustees of the AISECT Society, who are promoters of AISECT, have extensive experience in the education industry, which supports its business growth. AISECT has had an established business track record with NSDC since 2011, which supports skill development programmes under various Government schemes. The company also acts as a business correspondent partner with reputed nationalised banks for its financial inclusion services through banking kiosks. It also sells FASTag on behalf of banks through its agents across India. With multiple institutions of the AISECT Group under its management for providing online services, publishing and for selling books to students, the company has a well-diversified and reputed customer base and revenue sources.

Healthy debt protection metrics – The company's capital structure is healthy with moderate leveraging, as characterised by Total Debt/TNW of 0.3 times and TOL/TNW at 0.8 times as on March 31, 2025 (provisional). In addition, due to low leverage and adequate profitability, it maintains comfortable debt coverage indicators as reflected by interest coverage ratio and DSCR of 8.3 times and 5.1 times, respectively, as on March 31, 2025. Despite some moderation in FY2026 due to higher finance cost (due to scale-up in operations) and repayments, the company's debt protection metrics are likely to remain comfortable in the medium term.

Credit challenges

Moderate scale of operations and low net worth base; revenue from banking kiosk service exposed to regulatory risk – The company has well-diversified sources of revenues. However, the scale of operations is moderate, as reflected by an operating income of Rs. 205.4 crore in FY2025 (despite healthy YoY increase). Moreover, the net worth remains low at Rs. 74.4 crore as on March 31, 2025, which limits its ability to absorb any adverse business exigencies. Its revenue is highly dependent on the income earned from its banking kiosk services, RFID tags and skill training courses under various Government schemes, which are highly competitive and impacts its pricing flexibility. ICRA also notes that the company's revenue is driven by the banking kiosk service (about 39% in FY2025), which is exposed to risks associated with any adverse changes in the bank's policies or regulatory guidelines. Also, any non-compliance to such policies or guidelines would result in cancellation of affiliation or licence, leading to loss of reputation and revenue for the company.

Project execution and business risks associated with new businesses and ongoing capex – The company is undertaking capex for building a commercial office tower at an overall project cost of about Rs. 10-12 crore, of which around Rs. 4 crore is expected to be funded from the long-term loans and the remaining from its internal accruals. It is exposed to execution risk as any significant delay in project execution could result in cost overruns leading to incremental investments. Earlier, the company had ventured into HDPE/ PVC pipe manufacturing (in FY2024), which is yet to reach optimal capacity utilisation and remains a drag on the profitability and return metrics. AISECT's ability to generate adequate return on these investments will remain a key rating monitorable.

Liquidity position: Adequate

The company's liquidity position is expected to remain adequate led by steady cash accruals, free cash on books and available undrawn bank limits to meet its financial obligations. Average working capital utilisation was 84% for the 12-months ended in April 2025. As on March 31, 2025, the company had free cash balances of around Rs. 26 crore; typically, AISECT holds Rs. 10-

15 crore in free cash and bank balances. Against the same, the company has repayment obligations of Rs. 2.07 crore in FY2026 and planned capex (for a commercial office tower) of Rs. 15-20 crore.

Rating sensitivities

Positive factors – The ratings could be upgraded in case of a significant scale-up in revenue and profitability of the company, leading to an improvement in liquidity, net worth and debt protection metrics on a sustained basis.

Negative factors – The ratings could be downgraded in case of any adverse impact on revenue/ profitability of the company, leading to a deterioration in debt protection metrics on a sustained basis. The ratings could also be impacted by a large debt-funded capex, leading to a deterioration in the company's liquidity. Specific credit metrics for a rating downgrade include DSCR falling below 1.8 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation/Standalone	The rating is based on the standalone financials of the company.

About the company

AISECT Limited was incorporated in 2006 by Mr. Siddharth Chaturvedi and Mr. Santosh Choubey. It is a part of the AISECT Group led by the AISECT Society, which has established universities across the country and has been involved in skill development, higher education and other technology-based services. The company is mainly involved in providing services such as banking kiosk services, RFID services, general supplies, along with publishing and selling of educational books. The company also provides coaching and skill training to various aspirants under different Government schemes.

Key financial indicators (Audited/Provisional)

	FY2024	FY2025*
Operating income (Rs. crore)	160.5	205.4
PAT (Rs. crore)	7.5	11.8
OPBDIT/OI (%)	8.8%	9.4%
PAT/OI (%)	4.6%	5.7%
Total outside liabilities/Tangible net worth (times)	1.1	0.8
Total debt/OPBDIT (times)	1.4	1.2
Interest coverage (times)	7.6	8.3

PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and Amortisation; *Provisional financials; Note – All ratios are as per ICRA calculations

Source: Company; ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs crore)	October 31, 2025	Date	Rating	Date	Rating	Date	Rating
Fund Based-Cash Credit	Long Term	2.00	[ICRA]BBB-(Stable)	Jul 29, 2024	[ICRA]BBB-(Stable)	Apr 25, 2023	[ICRA]BBB-(Stable)	-	-
Fund Based-Overdraft	Long Term	11.82	[ICRA]BBB-(Stable)	Jul 29, 2024	[ICRA]BBB-(Stable)	Apr 25, 2023	[ICRA]BBB-(Stable)	-	-
Fund Based-Term Loan	Long Term	9.19	[ICRA]BBB-(Stable)	Jul 29, 2024	[ICRA]BBB-(Stable)	Apr 25, 2023	[ICRA]BBB-(Stable)	-	-
Unallocated-Unallocated	Long Term	19.49	[ICRA]BBB-(Stable)	Jul 29, 2024	[ICRA]BBB-(Stable)	-	-	-	-
Non Fund Based-Bank Guarantee	Short Term	13.00	[ICRA]A3	Jul 29, 2024	[ICRA]A3	Apr 25, 2023	[ICRA]A3	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Cash credit	Simple
Long-term – Fund-based – Dropline overdraft	Simple
Long-term – Fund-based – Term loan	Simple
Short-term – Non-fund based – Bank guarantee	Very 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-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based – Cash credit	NA	NA	NA	2.00	[ICRA]BBB-(Stable)
NA	Fund-based – Dropline overdraft	NA	NA	NA	11.82	[ICRA]BBB-(Stable)
NA	Fund-based – Term loan	FY2022	NA	FY2030	1.81	[ICRA]BBB-(Stable)
NA	Fund-based – Term loan	FY2023	NA	FY2030	1.88	[ICRA]BBB-(Stable)
NA	Fund-based – Term loan	FY2023	NA	FY2030	1.60	[ICRA]BBB-(Stable)
NA	Fund-based – Term loan	FY2022	NA	FY2029	3.90	[ICRA]BBB-(Stable)
NA	Non-fund based – Bank guarantee	NA	NA	NA	13.00	[ICRA]A3
NA	Long-term – Unallocated	NA	NA	NA	19.49	[ICRA]BBB-(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 – Not applicable

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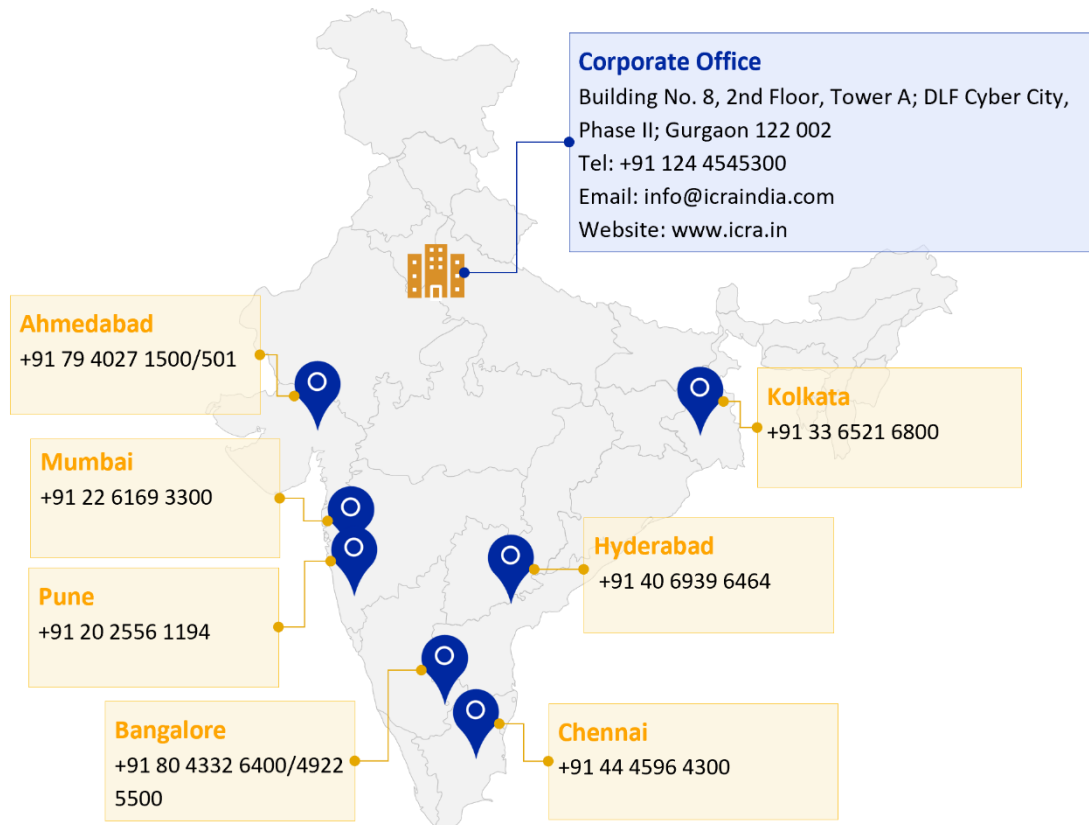


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