

May 29, 2026

## Maharaja Agrasen Technical Education Society: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Unallocated limits	30.00	30.00	[ICRA]A- (Stable); reaffirmed
<b>Total</b>	<b>30.00</b>	<b>30.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating reaffirmation for Maharaja Agrasen Technical Education Society (MATES/the Society) factors in its strong financial profile, characterised by healthy operating margins (21-25% over the last three years), a conservative capital structure with minimal working capital debt (Rs. 10 crore as on March 31, 2026) and healthy fund corpus (~Rs. 475 crore), and consequently robust debt coverage metrics, which are expected to sustain over the medium term. The Society's liquidity position remains strong, as reflected by consistently low utilisation of sanctioned overdraft limits, free cash and cash equivalents of ~Rs. 340 crore as on March 31, 2026, and the absence of debt servicing obligations. The revenues are likely to witness steady growth of ~12% in FY2026 (provisional), supported by increased seat capacity and periodic fee revisions (~7-8% annual). Further, its established presence and over two decades of operating track record at its Delhi campus strengthen its operational profile. ICRA expects the Society to fund its planned capex and other requirements largely through internal accruals and the existing liquidity buffers.

However, the rating remains constrained by its moderate scale of operations (provisional revenues of ~Rs. 173 crore in FY2026) and concentration risks, with a significant share of revenues (~85%) derived from Delhi-based colleges. Occupancy levels at Maharaja Agrasen University (MAU, Baddi, Himachal Pradesh) remained relatively lower than other institutes and was flat in AY2025<sup>1</sup> at 71% (Vs. 73% in AY2024). The Society faces risks inherent in the highly regulated higher education sector with stringent compliance requirements. Additionally, the ongoing and proposed capex of ~Rs. 210-220 crore, mainly at the Baddi campus, expose it to execution risks and the risk of generating adequate returns. The capex, to be implemented in a phased manner over the next two years, is expected to be funded primarily through internal accruals, with limited reliance on debt, if required.

The Stable outlook reflects ICRA's expectation that the Society will benefit from healthy operating performance at its flagship institutions, supporting sustained surplus generation and a strong liquidity profile. The absence of any large debt-funded capex plans over the medium term are expected to ensure continuation of comfortable credit metrics.

### Key rating drivers and their description

#### Credit strengths

**Established position and track record** – MATES has an established track record of around 25 years, offering courses at the graduate and the post-graduate levels in its Delhi and Himachal Pradesh campuses. Maharaja Agrasen Institute of Technology (MAIT, started in 1999) offers B.Tech and MBA courses, Maharaja Agrasen Institute of Management Studies (MAIMS, started in 2003) offers BBA, BJMC and B.Com courses, MAU (started in 2014) offers courses across engineering, management and law disciplines and Maharaja Agrasen Business School (MABS, started in 2024) offers post-graduate management courses. The

<sup>1</sup> AY refers to academic year, generally July to May for higher education institutions in India

institutes' established reputation is supported by affiliation to Guru Gobind Singh Indraprastha University (GGSIPU), Delhi and reflects in its satisfactory placement record.

**Healthy operating metrics of flagship institutes** – The overall fresh enrolments remained healthy in AY2025 at 88% (Vs. 90% in AY2024), driven by healthy levels for MAIT, MAIMS and MABS at 96-100%, though marginally moderated for MAU to 71% (Vs. 73% in AY2024). Going forward, the operating metrics of the flagship institutes are expected to remain strong on account of the established position and track record in the Delhi region. Further ramp-up in MAU's performance remains a key sensitivity.

**Comfortable debt protection metrics and strong liquidity** – The Society maintains a conservative capital structure with minimal reliance on external debt, supporting strong debt protection metrics. Healthy and steady surplus generation has enabled the build-up of sizeable cash and liquid balances, resulting in a negative net debt position, notwithstanding occasional utilisation of overdraft facilities against fixed deposits. Its liquidity remains robust, as reflected in low utilisation of sanctioned limits, free cash and cash equivalents of ~Rs. 340 crore as on March 31, 2026, and absence of debt repayment obligations. Supported by improving scale, stable margins and strong liquidity buffers, the Society's financial profile is expected to remain comfortable over the medium term.

### Credit challenges

**Moderate revenue base and course concentration risk** – Despite being operational for over two decades, the revenue base of the Society remains moderate at Rs. 172.6 crore in FY2026 (provisional), which is unlikely to increase significantly in the near term. The YoY growth of ~13% in the same in FY2026 (provisional) was driven by annual fee hike (~7-10%) and higher donations (which are volatile). MATES' revenues mainly get generated from MAIT, with the latter contributing to around ~54% of its revenue receipts, followed by MAIMS, which accounted for ~26% in FY2025. The most recently started institute (MABS) is also in Delhi. Therefore, a large proportion of the Society's revenue receipts are derived from its Delhi campus, leading to limited asset diversification. Nonetheless, with a gradual increase in enrolments at MAU, along with planned expansion, the revenue contribution from the Baddi campus is expected to rise in the medium term.

**Low, though improving, university occupancy levels** – Intense competition in the Himachal Pradesh region, which has several private educational institutes, and a decline in demand for engineering courses, affected operations at the Baddi campus, which continues to run at a moderate occupancy of around 71% in AY2025 (Vs. 73% in AY2024, much lower to Delhi-based colleges). Also, the state government regulations limit autonomy over the admission procedures and tuition fees, which could impact the overall financial profile. With MAU's occupancy likely to improve gradually, the university may remain dependent on the support from the trust to meet its expenses.

**Risks associated with planned capex and new course offerings** – The Society is required to incur periodic capital expenditure to maintain its tax-exempt status. At present, it is undertaking a capex of ~Rs. 200 crore at Baddi (Himachal Pradesh) for setting up a 200-bed general hospital, along with nursing and paramedical colleges, exposing it to execution risks. Additionally, the plans for the proposed university at Panchkula, Haryana, on ~50 acres of land (acquired for Rs. 19–20 crore) remains at a nascent stage, with capex plans yet to be finalised. The overall capex programme, envisaged over FY2027-2028 and to be funded largely through internal accruals (with limited reliance on debt), exposes the Society to project implementation and scaling up risks. Its ability to generate adequate returns from these investments will remain a key monitorable.

### Liquidity position: Strong

The liquidity position is expected to remain strong, driven by healthy annual operating surpluses (~Rs. 70 crore) and substantial, unencumbered cash balances (~Rs. 340 crore as on March 31, 2026). Its liquidity is further bolstered by consistent donations from trustees, which provide periodic support towards capex funding. While the Society has no debt servicing obligations, it has envisaged sizeable capex of Rs. 200–220 crore over FY2027-2028, mainly for expansion at Baddi, subject to requisite approvals. Its ability to fund these investments through internal accruals and donations, without materially impacting its liquidity buffer, will remain a key monitorable.

## Rating sensitivities

**Positive factors** – ICRA could upgrade MATES’ rating if there is a significant increase in its revenue via addition of new courses/institutes, along with a substantial improvement in the performance of MAU on a sustained basis.

**Negative factors** – The rating may be downgraded if MATES’ credit metrics and liquidity position come under pressure owing to weak earnings or a sharp rise in debt levels due to high capital expenditure being undertaken by the Society. Specific credit metrics that may trigger rating downgrade include Total debt/OPBDITA of more than 2 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Higher Education
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

MATES, formed under the Societies Registration Act on July 2, 1998, is registered as a charitable society with the Income Tax Department. It was founded by Dr. Nand Kishore Garg, former MLA of Delhi from Trinagar constituency. It runs three colleges in Delhi (MAIT, MAIMS and MABS) and one state private university, MAU, in Baddi (Himachal Pradesh), which offer courses at the graduate and the post-graduate levels. MAIT was started in 1999 and offers B.Tech and MBA courses. MAIMS was started in 2003 and offers BBA, BJMC and B.Com courses and MABS, started in 2024, offers Post Graduate Diploma in Management (PGDM). MAIT and MAIMS are affiliated to Guru Gobind Singh Indraprastha University (GGSIU), Delhi. MAU commenced operations from AY2014 and offers courses across engineering, management and law disciplines through five constituent colleges.

## Key financial indicators (audited)

MATES	FY2024	FY2025
Operating income (Rs. crore)	131.2	153.6
PAT (Rs. crore)	43.1	64.6
OPBDIT/OI (%)	21.7%	25.6%
PAT/OI (%)	32.9%	42.0%
Total outside liabilities/Tangible net worth (times)	0.2	0.2
Total debt/OPBDIT (times)	0.0	0.0
Interest coverage (times)	110.4	78.9

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; 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 (FY2027)		Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs. crore)	FY2027	FY2026		FY2025		FY2024	
			May 29, 2026	Date	Rating	Date	Rating	Date	Rating
Unallocated limits	Long term	30.00	[ICRA]A-(Stable)	-	-	14-Feb-2025	[ICRA]A-(Stable)	04-Jan-2024	[ICRA]A-(Stable)
								27-Apr-2023	[ICRA]A-(Stable)

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) )	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)

Sr. No.	Activity Name	FSR
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure :** SEBI’s grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – 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 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 II: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Unallocated limits	NA	NA	NA	30.00	[ICRA]A- (Stable)

Source: Company

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

**Annexure III: List of entities considered for consolidated analysis: Not Applicable.**

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For more information, visit [www.icra.in](http://www.icra.in)

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### Branches



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