RATING RATIONALE

16 March 2026

Adesh Welfare Society

Brickwork Ratings upgrades and assigns the long term rating to BWR A-/Stable for the bank loan facility of Rs. 152.94 Crs of Adesh Welfare Society.

Particulars

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous (27 March 2025)	Present
Fund Based	98.59	**81.57**	Long Term	BWR BBB +/Stable to Positive Reaffirmation	**BWR A-/Stable/Upgrade**
	(5.00)	**10.82**			**BWR A-/Stable/Assignment**
Non Fund Based	24.8	**60.55**	Long Term	BWR BBB + /Stable to Positive Reaffirmation	**BWR A-/Stable/Upgrade**
		(5.00)			
Grand Total	123.39	**152.94**	**(Rupees One Hundred Fifty Two Crores and Ninety Four Lakhs Only)**		

#Please refer to the BWR website **www.brickworkratings.com** for the definition of the ratings.
**Bank Loan facility details are furnished in Annexure - I

RATING ACTION / OUTLOOK

Brickwork Ratings has upgraded and assigned the rating of BWR A-/Stable for the long term bank loan facilities of Rs.152.94 Crores of Adesh Welfare Society (AWS or the society).

The ratings for the bank facilities of AWS continue to drive strength from experienced management with a long track record of operations in the education sector for running various institutes with diversified courses under Adesh Group and sustained popularity of its hospital leading to assured cash flows for the society. The rating also factors in improvement in its operational performance and AWS's satisfactory financial risk profile marked by improvement in total operating income, comfortable gearing and moderate debt coverage metrics and steady operating and net surplus generated by its operations.However, these rating strengths are partially offset due to its presence in a highly competitive sector with exposure to high regulatory risks associated with the stringent compliance requirements of relevant regulatory authorities.

OUTLOOK: STABLE

BWR believes that the business and financial risk profile of Adesh Welfare Society will be maintained over the medium term due to favourable demand outlook for education in India. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the receipts and surplus show sustained improvement. The rating outlook may be revised to 'Negative' if the receipts decrease and margins remain lower than expected.

KEY RATING DRIVERS

Credit Strengths-:

● **Experienced management with a long track record of Adesh group of institutions :** Adesh Welfare Society was established in 1993 by Dr Harinder Singh Gill (Founder member and Chairman) who holds a PG degree in Medicine. The other members of the society are independent/ technical members involved in strategic planning and decision making. All the members are professionally qualified with most of them having experience in medical and other related fields.The management has over 25 years of experience in running different institutes. AWS is a part of Adesh group, Bhatinda under Adesh Foundation, Muktsar. Adesh group on the whole runs various different institutes in Punjab & Haryana state and offers a variety of courses. AWS benefits from the financial flexibility of Adesh group and its brand recognition among students. The society has established Adesh Medical College & Hospital at Mohri, Haryana in 2016 which contributes more than 95% of the society's overall revenues with its satisfactory infrastructure backed by experienced faculties leading to satisfactory enrolment rates in its educational institute.

● **Steady operational performance with healthy student strength :** The society achieved a year-on-year growth of 31% in FY25. The topline increased from Rs. 132.68 Crores in FY24 to Rs.173.85 Crores in FY25, primarily driven by steady student enrollments across the institution. Revenue is expected to grow further with the increase in the number of seats under different programs offered by the institutes.

● **Satisfactory financial risk profile :** The society maintains a healthy financial risk profile, characterized by a strengthening capital structure and robust debt-servicing capabilities. As of March 31, 2025, gearing improved to 0.56x (down from 0.63x the previous year), driven by a combination of scheduled debt repayment, consistent surplus accruals, and significant corpus fund donations that bolstered the overall net worth. Operating and surplus margins remained resilient at 34.83% and 12.82%, respectively. The society demonstrated high liquidity cushions with an Interest Coverage Ratio of 6.54x and a Debt Service Coverage Ratio (DSCR) of 3.26x. Debt protection metrics are projected to remain stable, supported by steady cash flows and disciplined leverage management.

Credit Risks-:

● **High competition :** AWS operates in a highly saturated educational landscape, particularly within the Haryana region. Its primary student demographic is drawn from surrounding rural and semi-urban areas, making it highly sensitive to local shifts in the market.Adesh Welfare Society (AWS) faces intensifying competition from an increasing number of private and public educational institutions established in its immediate vicinity. This surge in nearby campuses has diluted AWS's traditional student base, which historically relies on demand from surrounding villages and local districts.

● **Regulatory Risks :** While the Indian education sector is rapidly privatizing, regulatory hurdles remain a formidable threat to institutional stability. For entities like Adesh Welfare Society (AWS), maintaining compliance is a high-stakes balancing act across both educational and healthcare standards. The educational institutions and hospitals under AWS operate within a stringent regulatory environment governed by statutory bodies such as the National Medical Commission (NMC), Indian Nursing Council (INC), and the All India Council for Technical Education (AICTE). Because the regulatory bodies fix both seats and fees for professional courses, the society has limited flexibility to adjust pricing in response to rising operational costs.

ANALYTICAL APPROACH - Standalone

For arriving at rating, BWR has considered the standalone approach for Adesh Welfare Society (AWS) and its colleges viz, Adesh Medical College & Hospital, Adesh Institute of Technology, Adesh Institute of Information Technology & Management, College of Nursing and College of Physiotherapy. BWR has essentially relied on the audited standalone financials up to FY25,9MFY26 , publicly available information, as well as information/clarifications provided by the Society's management and bankers

RATING SENSITIVITIES

Going forward, the ability of the society to report healthy enrolment ratios and steady growth in student strength, improvement in overall credit risk profile and efficient management of working capital requirements would be the key rating sensitivities.

Positive: The ratings may be upgraded if there is increase in operating revenue to Rs.250.00 Crs and above along with the net profit margins to be maintained above 15% with gross margins to be maintained at current levels. Further, there should be consistency in maintaining the healthy financial risk profile marked by comfortable capital structure and substantial improvement in debt protection metrics, besides other factors favoring an upgrade.

Negative: The ratings may be downgraded if there is a decline in the revenue and net profit amounts from the existing levels.

LIQUIDITY INDICATORS - Adequate

The Society liquidity is strong as reflected by the EBITDA adequately covering the debt obligations and a stable cash conversion cycle. During FY25, healthy cash accruals of Rs.53.71 Crs were generated by the Society and were sufficient enough to cover its current debt maturity of Rs.18.50 Crs. As per the Society's projections, the net cash accrual is expected to increase which is sufficient to meet its upcoming debt obligation. Further, the utilization levels for the fund-based working capital facilities have remained at levels of 84%. The Society has sufficient headroom to utilize the accruals and un-utilized working capital limits for its operational requirements which will boost the liquidity profile. The current ratio is adequate, recorded at 1.56x, and the unencumbered cash and bank balance was recorded at Rs. 2.23 Crs as on March 31, 2025.

ABOUT THE ENTITY

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Consumer Services	Other Consumer Services	Education

Adesh Welfare Society (Regd.), Muktsar (AWS) is a society registered on 22.02.1993 under the Societies Registration Act, 1860 with the Registrar of Firms & Societies, Punjab, , having its registered office at Kotkapura Road, Muktsar, Punjab . The Society has a primary membership of seven members . The main promoters of AWS are Dr. Harinder Singh Gill, Chairman, Vice-Chairman , and Dr. Gurpreet Singh Gill, Mrs. Kamaldeep Kaur Gill, General Secretary . The Society is engaged in the field of medical and professional education and operates institutions in Nursing, Physiotherapy, Para-Medical Sciences, Pharmacy, and other Healthcare the Adesh Medical College and Hospital established at Village Mohri near Ambala on National Highway focus of the Society is Adesh Medical College & Hospital , which commenced operations in share of the Society's total income , including . However, the primary 2016 and presently contributes the major . Further, the Society has recently established the Adesh Nursing College, Adesh Physiotherapy College & Adesh College of Pharmacy at Mohri within the campus of Adesh Medical College & Hospital taken for the first batch from the academic session 2025. The Society also has , where admissions were long-term plans to upgrade Adesh Medical College & Hospital into a University , subject to the fulfillment of the regulatory requirements and approvals from the concerned authorities.

ESG Profile : Adequate

The institutions demonstrate an adequate ESG profile based on its environmental, social, and governance practices. For educational institutions, governance is a key factor influencing the overall ESG assessment.

Environmental: The society has entered into an agreement for the disposal of Bio-Medical Waste with a Society duly authorized and specified by the Pollution Control Board. As per the guidelines and directions of the Pollution Control Board, the bio-medical waste generated at AWS premises is properly segregated at source using color-coded dustbins. The segregated waste is then collected in corresponding color-coded bags and handed over to the authorized agency for safe transportation and disposal in accordance with the prescribed environmental norms.

Social: Social factors indicate the institution's focus on inclusive and safe learning environments. Key elements may include equitable access to education for all socio-economic groups including marginalized or differently-abled students, promotion of diversity and inclusion among staff and students, and employee health and safety initiatives.In line with the Society's commitment to make healthcare accessible to all, the hospital regularly conducts free medical camps in rural and underserved villages, where healthcare facilities are often unavailable. Each camp benefits more than 1000 people, providing essential medical care and guidance. Teams of dedicated volunteers from the hospital—including doctors, nurses, and paramedical staff—travel to remote areas despite difficult terrain and challenging conditions to deliver healthcare services, truly living up to Society's motto of "Saving and Enriching Lives."

Governance: Governance considerations highlight the institution's adherence to regulatory and ethical standards.

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Unit	FY 23	FY 24	FY 25
Result Type		Audited	Audited	Audited
Operating Income	Rs. Crs	129.02	132.68	173.85
EBITDA	Rs. Crs	67.90	49.16	60.56
PAT	Rs. Crs	32.26	12.20	22.28
Tangible Net Worth	Rs. Crs	187.81	200.02	221.69
Total Debt/Tangible Net Worth	Times	0.69	0.63	0.56
Current Ratio	Times	3.42	2.63	1.56

KEY COVENANTS OF THE FACILITY RATED

The terms of sanction include standard covenants normally stipulated for such facilities.

STATUS OF NON-COOPERATION WITH PREVIOUS CRA

NIL

ANY OTHER INFORMATION

NA

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawal & suspension)

Instrument /Facilities	Current Rating (2026)			2025		2024		2023	
Type	**Tenure**	**Amount Rs. Crs**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund Based	Long Term	92.39	BWR A-/stable/Upgrade BWR A-/ stable/Assignment	27 March 2025	BWR BBB+/Stable to Positive/ Reaffirmation	11 April 2024	BWR BBB+/Stable/ Reaffirmation	7 March 2023	BWR BBB+/Stable/ Reaffirmation
Non Fund Based	Long Term	60.55 (5.00)	BWR A-/Stable/Upgrade		BWR BBB+/Stable to Positive/ Reaffirmation		BWR BBB+/Stable/ Reaffirmation		BWR BBB+/stable/ Reaffirmation
Grand Total		152.94	One Hundred Fifty Two Crores and Ninety Four Lakhs Only.						

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- Education Sector

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Adesh Welfare Society

Annexure 1

Bank facilities

SL.No.	Name of the Bank/Lender	Type Of Facilities	Long Term (Rs.Crs.)	Short Term (Rs Crs)	Total (Rs.Crs.)	Complexity of the Instrument
1	HDFC	Term Loan-Out-standing	0.23		0.23	Simple##
2	HDFC	Term Loan-Out-standing	36.74		36.74	Simple##
3	HDFC	Term Loan-Out-standing	3.70		3.70	Simple##
4	HDFC	Term Loan-Out-standing	2.64		2.64	Simple##
5	HDFC	Term Loan-Out-standing	12.05		12.05	Simple##
6	HDFC	Term Loan-Out-standing	6.75		6.75	Simple##
7	HDFC	Term Loan-Out-standing	1.91		1.91	Simple##
8	HDFC	Term Loan-Out-standing	12.55		12.55	Simple##
9	HDFC	Term Loan-Out-standing	2.44		2.44	Simple##
10	HDFC	Term Loan-Out-standing	8.38		8.38	Simple##
11	HDFC	Overdraft	5.00		5.00	Simple##
12	HDFC	BG	60.55		60.55	Simple##
13	HDFC	Sublimit OD - subline of BG	(5.00)		(5.00)	Simple##
Total			152.94		152.94	
TOTAL (Rupees One Hundred Fifty Two Crores Ninety Four lakhs Only)						

##BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com /download / ComplexityLevels.pdf. Investors' queries can be sent to info@brickworkratings.com.

ANNEXURE-II

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

INSTRUMENT DETAILS

ANNEXURE-III

List of entities consolidated

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

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