

## Made Easy Education Private Limited

December 24, 2021

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	45.50	CARE BB-; ISSUER NOT COOPERATING* (Double B Minus ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>45.50</b> <b>(Rs. Forty-Five Crore and Fifty Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated August 01, 2019, placed the ratings of Made Easy Education Private Limited (MEEPL) under the 'issuer non-cooperating' category as MEEPL had failed to provide information for monitoring of the rating. MEEPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated October 05, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

At the time of last rating on October 29, 2020 the following were the rating strengths and weaknesses (updated for the information available from Ministry of Corporate Affairs).

### Key Rating Weaknesses

**Project implementation risk pertaining to setting up 10-MW solar power project:** The company is exposed to risks pertaining to setting up the 10-MW solar power project. The entire land required for the project (expected to be about 45 acres) has been identified and land acquisition is under process. The company is in the process of finalizing the EPC and O&M contracts.

**Counterparty payment risks pertaining to power off take:** The company has entered into a long-term Power Purchase Agreement (PPA) with Madhya Pradesh Power Management Company Limited (MPPMCL) for supply of entire power at a fixed tariff of Rs.5.452/kWh for a period of 25 years under the Madhya Pradesh State Solar Policy. The company is exposed to counter party credit risk since MPPMCL is the sole off-taker of power and has a relatively weak financial risk profile.

**Vulnerability of power generation to the climatic conditions:** MEEPL's solar project is to be based on polycrystalline silicon technology, which has a proven track record in global markets, lower degradation and lower land requirement; though there is lack of long-term track record of performance of the solar modules in Indian conditions.

### Key Rating Strengths

#### Moderate financial risk profile

The overall gearing of the company improved to 0.45x as on March 31, 2020 (PY: 0.65x). Total debt to gross cash accruals also improved to 2.38x as on March 31, 2020 (PY: 2.21x). Improvement in financial risk profile is mainly on account of repayment of loans and advances from related parties and decrease in term loans. However, MEEPL's total operating income has reduced by 16% year-on-year (y-o-y) from Rs. 112 crore in FY19 to Rs. 94 crore in FY20.

#### Experienced and well qualified promoters

The company's promoter, Mr Balendra Singh is an IT-BHU graduate who has been conferred with many awards like Education Excellence Award 2015 (presented by Home Minister of MP) and "National Education Excellence Award 2014" – Best Entrepreneur promoting Education Award for IES, GATE and PSUs (presented by Governor of Gujarat). He is ably supported by his family members in addition to other experienced professionals.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications.

\*Issuer did not cooperate; Based on best available information

**Liquidity:** Latest information not available

**Analytical approach:** Standalone

**Applicable Criteria**

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Education](#)

**About the Company**

Made Easy Education Private Limited (MEEPL), promoted by Mr. Balendra Singh and Ms. Jyoti Singh in August 2007 is the flagship company of the Made Easy group which is engaged in providing educational coaching services with multiple centres in various cities across India. The Made Easy group is a leading player in ESE (Engineering Services Examination) and GATE (Graduate Aptitude Test in Engineering) coaching in India for engineering graduates with 56,000 students enrolled in its classroom programs as of Feb 29, 2016.

Solar Business: The group had entered into the solar business by commissioning 2 projects of 1 MW each at Bikaner, Rajasthan under the REC Mechanism in Dec 2014 (projects executed through group proprietorship firms' viz. "Solar Power Made Easy" and "Solar Energy Made Easy").

Brief Financials (Rs. crore)	31-03-2019 (A)	31-03-2020 (A)	H1FY22
Total operating income	111.53	93.89	NA
PBILD	24.36	18.37	NA
PAT	9.89	6.15	NA
Overall gearing (times)	0.65	0.45	NA
Interest coverage (times)	6.38	5.62	NA

A: Audited; NA: Not Available

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: Not Applicable**

**Rating History for last three years:** Please refer Annexure-2

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	-	45.50	CARE BB-; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	45.50	CARE BB-; ISSUER NOT COOPERATING*	-	1)CARE BB-; ISSUER NOT COOPERATING* (29-Oct-20)	1)CARE BB+; ISSUER NOT COOPERATING* (02-Aug-19)	-

\*Issuer did not cooperate; Based on best available information

**Annexure 3: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Term Loan	Simple

**Annexure 4: Bank Lender Details for this Company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

**Contact us****Media Contact**

Name – Mr. Mradul Mishra  
Contact no. - +91-22-6754 3596  
Email ID - [mradul.mishra@careedge.in](mailto:mradul.mishra@careedge.in)

**Analyst Contact**

Group Head Name – Ajay Dhaka  
Group Head Contact no.- 011-45333218  
Group Head Email ID - [ajay.dhaka@careedge.in](mailto:ajay.dhaka@careedge.in)

**Relationship Contact**

Name - Swati Agarwal  
Contact no. -+91-11-45333200  
Email ID - [Swati.Agrawal@careedge.in](mailto:Swati.Agrawal@careedge.in)

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careedge.in](http://www.careedge.in)**