

Gyandeep Foundation

February 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	12.00	CARE BB-; Stable	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B+; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

In the absence of minimum information required for the purpose of rating, CARE Ratings Ltd. (CARE) was unable to express an opinion on the rating of Gyandeep Foundation and in line with the extant SEBI guidelines, CARE revised the rating of bank facilities of the company from 'CARE BB-; Stable' to 'CARE B+; Stable; ISSUER NOT COOPERATING'.

However, the company has submitted the requisite information to CARE. Accordingly, CARE has carried out a full review of the rating and the rating has been revised to 'CARE BB-; Stable'.

The ratings assigned to the bank facilities of Gyandeep Foundation remains constrained by intensely competitive nature of industry, highly regulated nature of industry, modest capital structure and small scale of operations.

The rating however derives strength from successful commissioning of School with gradual pick-up in enrollments, experience of promoters in other industries and their resourcefulness, association with DPS being one of the renowned education brands in India, modern infrastructure and locational advantage.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Scaling up of turnover and profitability as envisaged.
- Total debt / SBILDT to be below 4.0x on sustained basis.

Negative factors

- Inability of the company to achieve total operating income of Rs 7.50 crore and operating profitability of 32% in FY26.

Analytical approach: Standalone

Outlook: Stable

The stable outlook on long term rating of Gyandeep Foundation is based on the expectation that it will continue to benefit from its experienced and resourceful promoters. Also, the school's infrastructural facilities and the existing brand name of the Delhi Public School will enable it to attract students.

Detailed description of key rating drivers:

Key weaknesses

Intensely competitive nature of industry: Despite the increasing trend of privatization of education sector in India, regulatory challenges continue to pose a significant threat to the educational institutes. DPS is affiliated from CBSE and hence, is required to follow the regulations of CBSE from time to time. DPS is expected to face stiff competition from other established and upcoming schools in the nearby area. Although, DPS has been able to distinguish itself from other schools as reflected by continuous growth in student strength, the competition from other schools in the vicinity (like Christ Jyoti School, St. Antony's High School, Modern English School, Kendriya Vidyalaya, Nagaon etc.) remains a concern. However, as per discussion with the management, the schools in the vicinity are smaller in capacity and facilities provided to the students like playing area, equipped classrooms, laboratories etc. which provide DPS advantage above most of them.

Highly regulated nature of industry: The higher education in India is placed in the concurrent list of the constitution and thus comes under the purview of both Central and State Government. The sector is regulated by Ministry of Human Resources at the national level by the education ministries in each state, as well as by Central bodies like University Grant Commission (UGC) and 14 other professional councils like All India Council of Technical Education (AICTE), Directorate of Technical Education (DTE), etc. The operating and financial flexibility of the education sector are limited, as regulations govern almost all aspects of operations, including fee structure, number of seats, changes in curriculum and infrastructure requirements.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Modest capital structure: The capital structure is modest marked by high overall gearing of 1.71x as on March 31, 2024. Gearing is expected to remain high in the initial few years of operation. However, it is expected to improve going forward by way of scheduled repayment of term loan, and accrual of surplus to corpus. Furthermore, with improved profitability and higher cash accruals the debt coverage indicators are also expected to improve going forward.

Small scale of operations: With operations having started from April 2024, the scale of operations of the trust is relatively small with total operating income at Rs.2.36 crore (donation) in FY24. The company recognizes income from operations on accrual basis when the fees for admission for the batch starting from April 2024. SBILDT margin stood at 68.42% in FY24 since operating costs for April 2024 batch has not yet been incurred. As of November 30, 2024 GF generated TOI of Rs. 3.55 crore. The small scale restricts the financial flexibility of the company at a time of stress.

Key strengths

Successful commissioning of School with gradual pick-up in enrollments: The school was commissioned in April 2024. The school currently operates classes from Nursery to class VIII and will gradually scaleup to class XII. In its first year of operation (FY25), the school has enrolled about 311 students. The management expects the total students to be around 600 for FY26.

Experience of promoters in other industries and their resourcefulness: Mr. Binod Chhawchharia has around four decades of experience of different business activities like bottling for IMFL, real estate, manufacturing of snacks and mixtures, renting of properties etc. Mr. Ashwini Chhawchharia (son of Mr. Binod Chhawchharia) has around 19 years of experience of different business activities. He is mainly looking after the IMFL business of the group where bottling is done for Allied Blenders & Distillers Pvt Ltd (ABD) under SAARAN Industries. Mr. Nakul Chhawchharia (son of Mr. Binod Chhawchharia) is looking after the real estate business of the group in Delhi and is also looking after the day-to-day business of manufacturing of snacks and mixtures for Haldiram in Nagpur under Caesar Food Products LLP.

The combined net worth of all the members stands at around Rs. 75 crores.

Association with DPS being one of the renowned education brands in India: Delhi Public School Society is among the top chain of school in India and is having global network of over 200 English Medium Co-educational Schools all over the world. It was founded in 1949 by Mr. Pinkesh Barjatiya with a motto of "Service before Self". The schools are affiliated to CBSE Board all over India. For more than six decades, the DPS Society has developed with a spirit and a vision. The DPS Society is also among the largest chain of Private English Medium School in Assam. It has already several schools in Assam like DPS Guwahati, DPS Jorhat, DPS Silchar, etc. The society has also entered into agreement with Delhi Public School Society, Delhi (DPSS) vide their Joint Venture Agreement dated 12.05.2022. As per the agreement DPSS shall collaborate (provide academic & management support) with Gyandeep Foundation for setting up an English Medium School of excellence at Deudhar Gaon, Dist-Nagaon, Assam as a Joint Educational Venture. The infrastructural facilities and the existing brand name of the Delhi Public School will enable it to attract students.

Modern infrastructure: The school has modern infrastructure including sports, library, transport, canteen, and health facilities. The campus features well equipped classrooms, laboratories, computer centers, Wi-Fi internet facility, library, healthcare center and other resources. The school gives emphasis on extra co-curricular activities in different fields and has facilities such as indoor games (Karate, table tennis, carom, etc.), basketball, skating, art studio, music, and dance rooms.

Location Advantage: The school is located at Deoudhar Gaon Panchayat, PS- Sadar, Nagaon (Assam) which is fast becoming an education hub in Assam. It is a busy town and is business hub of central Assam and near to Guwahati, the business capital of NE region. The location is on the outskirts of Nagaon town and far from busy business commercial areas providing quality pollution free environment to the students and is connected with all parts of Nagaon town with good quality road. As the Nagaon town is known as education hub and the surrounding towns are not having good schools/college, the students from these towns are coming to Nagaon for better studies.

Liquidity: Stretched

The trust does not have any working capital limits. The liquidity is stretched due to first year of operations of the school and full ramp up of operations yet to happen. The debt repayment obligation stands at Rs.0.22 crore in FY25 and Rs.0.65 crore in FY26 and the same is expected to be paid from cash accruals.

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Education](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Services	Other Consumer Services	Education

Incorporated in 2015, Gyandeep Foundation (GF) has set up a CBSE affiliated school in Nagaon, Assam with an intake capacity of 1650 students. GF has entered into an agreement with Delhi Public School (DPS) vide an agreement dated May 12, 2022 for using their brand.

The members of the society are Mr. Binod Chhawchharia, Mr. Ashwini Chhawchharia, Mr. Nakul Chhawchharia, Mr. Rajiv Sarma, Mr. Rahul Jain, Mrs. Manju Devi Chhawchharia, Mrs. Divya Chhawchharia and Mrs. Suruchi Chhawchharia. The members have experience in the field of construction, real estate, bottling of Indian Made Foreign Liquor, hotel, FMCG, etc.

The project was completed at a total cost of Rs. 22.00 crores (increased from 20.84 crores) being financed by project Debt Equity ratio of 1.20:1.00. The school started its commercial operations from April 2024.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	1.68	2.36
PBILDT	1.09	1.61
PAT	1.09	1.61
Overall gearing (times)	1.00	1.71
Interest coverage (times)	64,120.29	0.00

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2032	12.00	CARE BB-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	12.00	CARE BB-; Stable	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (22-Mar-24)	1)CARE BB-; Stable (10-Feb-23)	-

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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