

Suresh Angadi Education Foundation

May 20, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	61.35 (Reduced from 79.36)	CARE D	Rating removed from ISSUER NOT COOPERATING category and Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings of Suresh Angadi Education Foundation (SAEF) were earlier placed under the 'Issuer not cooperating (INC)' category as the company had not provided information for carrying out the surveillance exercise. SAEF has now shared the requisite information with CARE Ratings Limited (CARE Ratings), and accordingly, the rating has been removed from 'INC'.

The reaffirmation of the ratings assigned to the bank facilities of Suresh Angadi Education Foundation (SAEF) factors in the ongoing delays in debt servicing of the term loan facility. The same has been confirmed by the management and the lender. There has been a delay in the payment of principal and interest for the month of March-25 and subsequently there have been instances of penal charges in the bank statement for the month of April-25.

The ratings continue to remain constrained on account of small scale of operations despite continuous improvement in Total Operating Income (TOI), weak financial risk profile marked by high debt and negative net worth and presence in intensely competitive and regulated industry. The ratings, however, derive strength from the vast experience of trustees and diverse portfolio of courses offered.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Delay-free track record of over three months

Negative factors : Not Applicable

Analytical approach: Consolidated

Consolidated approach is taken due to the operational and financial linkages between the institutions under SAEF and the inherent cash flow fungibility among them. The list of entities under SAEF which are considered for consolidation are mentioned in Annexure-6.

Outlook: Not Applicable

Detailed description of key rating drivers:

Key weaknesses

Ongoing delays in debt servicing

There are ongoing delays in debt servicing of term loan facility. The same has been confirmed by the management and the lender. There has been a delay in the payment of principal and interest for the month of March-25 and subsequently there have been instances of penal charges in the bank statement for the month of April-25. As articulated by the management, the delay was on account of cashflow mismatch between the fee collection and scheduled payment. With the increase in enrolment and fee collections, the same is expected to be regularized going forward and shall remain a key rating monitorable.

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

Small scale of operations albeit continuous improvement in TOI

The scale of operations of SAEF have remained small with Total Operating Income (TOI) in the range of Rs. 20-35 crore during FY23-FY25. However, the TOI has grown at a CAGR of 27% from FY21-FY25 and has improved by 22 % from Rs. 27.55 crore in FY24 to Rs. 33.62 crore in FY25 driven by increase in enrolment and revenue of Angadi Institute of Technology and Management.

Weak financial risk profile marked by high debt and negative net worth

The financial risk profile of SAEF stood weak marked by high term debt and negative net-worth as on 31st March ,2025. The net-worth has remained negative over the past 3 years owing to continued losses at net level from FY21-FY24. However, the trust has reported SAT of Rs. 3.42 crore in FY25 as per FY25(Prov.)financials.

Intense competition and regulated industry

Despite the increasing trend of privatisation in the education sector in India, the sector continues to operate under stringent regulatory purview. In addition to the University Grants Commission (UGC) and AICTE norms, higher education institutes such as colleges and universities are regulated by the respective state governments with respect to the number of management seats and amount of the tuition fees charged for the government quota and management quota giving limited flexibility to the institutions. These factors resultantly have significant impact on the institutions' revenue generating capacity and profitability.

Key strengths

Vast experience of trustees

SAEF was established in 2008 by late Dr. Suresh M Angadi (Former Member of Parliament from Belagavi constituency and Union Minister of State for Railways) and is currently managed by Smt. Mangal S Angadi(wife of late Mr. Suresh Angadi) who is presently serving as the Chairman of Suresh Angadi Education Foundation (SAEF).She was elected as a Member of Parliament for Belagavi Lok Sabha constituency in 2021. She is ably assisted by her elder daughter,Dr. Spoorti Patil who is serving as the director of SAEF and younger daughter Smt. Shradha Shettar who is looking after overall operations of the trust.

Diverse portfolio of courses offered

SAEF offers wide variety of courses spanning schooling, diploma, graduation and post-graduation levels across diverse disciplines such as management, engineering, science, commerce, arts and architecture.

Liquidity: Poor

The liquidity of the trust is poor marked by delay in servicing of debt obligations.The trust has high repayment obligations of Rs. 10-11 crore in FY26 and FY27 against which it has achieved a GCA of Rs. 10 crore as per FY25 (Prov.) financials.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Education](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

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

Suresh Angadi Education Foundation (SAEF) was established in the year 2008 by Late Mr. Suresh Channabasappa Angadi, who was once an MP from Belagavi, Karnataka till Sept'20. The trust was established to set up educational institutions in Belagavi. At present SAEF has 4 institutions under its ambit i.e Angadi Institute of Technology and Management, Angadi College of Commerce & Science, Angadi International School and Angadi School of Architecture.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (P)
Total operating income	27.55	33.62
PBILDT	14.41	19.37
PAT	-2.09	3.42
Overall gearing (times)	-11.14	-18.53
Interest coverage (times)	1.46	2.02

A: Audited P: Provisional; 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-Funded Interest term Loan		-	-	September 2029	17.47	CARE D
Fund-based - LT-Term Loan		-	-	September 2029	43.88	CARE D

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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	43.88	CARE D	-	1)CARE D; ISSUER NOT COOPERATING * (01-Aug-24)	1)CARE D; ISSUER NOT COOPERATING * (15-May-23)	-
2	Fund-based - LT-Funded Interest term Loan	LT	17.47	CARE D	-	1)CARE D; ISSUER NOT COOPERATING * (01-Aug-24)	1)CARE D; ISSUER NOT COOPERATING * (15-May-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-Funded Interest term Loan	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Suresh Angadi Education Foundation	Full	Wholly owned
2	Angadi Institute of Technology & Management	Full	Wholly owned
3	Angadi College of Commerce & Science , Belagavi	Full	Wholly owned
4	Angadi International School	Full	Wholly owned
5	Angadi School of Architecture	Full	Wholly owned

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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