Elevate Campuses Limited

December 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	484.49 (Reduced from 485.00)	CARE A; Stable	Reaffirmed
Issuer rating	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in the rating of long-term bank facilities of Elevate Campuses Limited (ECL), formerly known as Good Host Spaces Private Limited (GHSPL) continues to derive strength from steady cash flow generation supported by continued full occupancy level of its major student housing capacity in Manipal University Jaipur (MUJ), association with reputed contracted educational institution, presence of structural features and protection clauses in hostel agreement, and comfortable financial risk profile. The rating factors in ring-fencing of fee collection with escrow, waterfall mechanism in place, adequate liquidity marked by healthy cash coverage ratio (CCR) and maintenance of debt service reserve account (DSRA) equivalent to one quarter of debt servicing.

ECL is being ultimately managed by Rava Partners, real asset strategy affiliate of Hillhouse Investment. The sponsor has made significant investments in the education infrastructure platform, and hence, assets under ECL group are strategically and economically important. The sponsor profile supplements the company's financial flexibility. However, rating strength continues to remain constrained by intense competition prevalent in the hostel industry, limited track record of operations, counterparty risk from low occupancy, and exposure to volatility in admissions at university and interest rates. In FY26, there has been vacancy in two of the leased assets; however, as the contribution from these assets was limited, the impact on the revenue profile is expected to remain limited.

CARE Ratings Limited (CareEdge Ratings) notes that the company is expected to expand its portfolio through acquisitions of fully operational assets through separate special purpose vehicles (SPVs). Acquisitions are expected to be funded through a mix of debt and equity (including public fund raising, if any). ECL will operate as the holding company for the SPVs and pass-through entity for equity infusion or upstreaming, while debt will be raised at the SPV level. It is noteworthy that, ECL has filed Draft Red Herring Prospectus (DRHP) for its listing, where Securities and Exchange Board of India (SEBI) approval is awaited. CareEdge Ratings will continue to monitor the progress and its potential impact of on ECL's credit profile.

CareEdge Ratings has withdrawn issuer rating assigned to the company at its request, in line with the withdrawal policy.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in external debt to profit before interest, lease rentals, depreciation and taxation (PBILDT) below 4x and maintenance of CCR above 1.50x, on a sustained basis.

Negative factors

- Significant decline in occupancy level or realisations, leading to decline in CCR below 1.30x, on a sustained basis.
- Higher-than-envisaged debt levels leading to deterioration in external debt/PBILDT over 6x, on a sustained basis.
- Deterioration in operational and credit profile of contracted educational institutions.

Analytical approach: Standalone

The rating also draws comfort from the presence of ultimate sponsor. The standalone view is taken considering ringfencing of income from assets in holding company and SPVs, different lenders in other SPVs and functioning of holding company as pass-through entity for future acquisitions.

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that the company is likely to sustain its steady rental and fee income driven by strong occupancy level and maintain stable debt coverage indicators.

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

Detailed description of key rating drivers:

Key strengths

Continued full occupancy level in major hostel campus

ECL owns three student hostel campus facilities. Of these, the major facility comprising 5920 beds, is operated by ECL under a contractual arrangement with MUJ (rated 'CARE A+; Stable/ CARE A1+'), while the other two hostels-Woodstock and County were earlier leased to the Manipal Group under long-term agreements of 16 years. The MUJ portfolio has consistently maintained 100% occupancy in the last three years. However, the County and Woodstock facilities were vacated effective June 30, 2025, and September 28, 2025, respectively, leading to a marginal annualised revenue decline of over ₹20 crore, pending re-leasing of these assets. The company is in advanced discussions with a prospective tenant to re-lease the County asset, with rental income potentially commencing from the new academic year beginning July 1, 2026, subject to successful closure of discussions. Accordingly, the impact of vacancy is expected to remain limited over medium term.

Presence of minimum guarantee and inflation protection clauses ensures stability in revenues

The hostel services agreement includes a minimum guarantee clause, requiring the university to compensate ECL for revenue shortfall if occupancy falls below 80% in 'MUJ'. In the last three academic years, hostels have maintained 100% occupancy, hence the clause has not been triggered in these years. The agreement also includes an inflation protection clause, allowing the company to escalate fees by a formula considering increases in minimum wage, electricity costs, and food inflation.

Comfortable financial risk profile

In FY25, the company generated total operating income (TOI) above ₹150 crore and PBILDT above ₹90 crore. TOI is expected to moderate to ~₹120-₹130 crore from FY26 onwards, considering divestment of an asset and vacancy in existing two assets. Accordingly, PBILDT is also expected to moderate. As on March 31, 2025, external debt to PBILDT stood moderate at over 4.50x. However, as anticipated earlier, with expectation of moderation in operating profits and increase in debt levels, the ratio is also expected to elevate however remain comfortable in the range of 5-6.5x in the near term. Generation of cash flows and maintaining an optimal level of debt remains crucial. Comfort is also derived from the presence of structural features, where entire cash inflows consisting of rentals from students, and other inflows (investment income and facility management fees among others) are required to be routed through designated escrow account and well-defined waterfall mechanism where debt servicing takes priority after statutory and operational expenses. Apart from escrow and waterfall mechanism, the company is also required to create DSRA equivalent to one quarterly instalment due on principal and interest amount, supplementing the liquidity profile.

Well-established sponsor

In FY24, the company's ultimate sponsor changed from Goldman Sachs and Warburg Pincus to Rava Partners (managed through India affiliate, Alta Capital), which has deployed sizeable funds in India. Given the full occupancy level, there is no anticipated need for support from the existing sponsor. However, given the asset's strategic importance and significant funds committed in the group, the ultimate sponsor is expected to provide adequate support, in case of contingencies.

Expansion in ECL group

The sponsor is expanding its portfolio through the acquisition of fully operational assets through SPVs in near term. These acquisitions will be financed through a mix of debt and equity. Debt-funding will be availed at SPV level, with ECL remaining a pass-through entity for infusion of funds provided from sponsor. Cash flows from operational assets within these entities are expected to be ring-fenced for its respective debt servicing. While the expansion is not likely to impact ECL's standalone credit profile, it will add value to the overall group and reflects strategic importance of the sponsor towards the group.

Key weaknesses

Intense competition

The hostel industry in India has expanded substantially in recent years. The entry of new market participants intensifies competitive pressures, prompting hostels to maintain competitive pricing. Increased demand for private hostels, driven by the desire for independence and enhanced amenities, may impact occupancy rates of university hostels. However, the company benefits from lack of quality hostels and organised players in the surrounding area. The company has the right of first-fill clause with all universities where ECL group owned hostels gets the priority for allocation of hostels in admissions and hostel fees would be the same for ECL group and university owned hostels, largely mitigating risks. However, change in contract terms in the future may potentially expose the company to competition risk.

Limited track record of operations
ECL was incorporated in April 2005 but started its hostel operations from September 2017 and therefore has a limited operational track record of ~8 years in this industry. However, ECL derives strength from long track record of operations by counterparty, experience of management, affiliation with a reputed university, and stable cash flows with inflation protection clauses.

Risk of decline in enrolment levels at contracted education institutions
ECL acquires hostels of universities, which are well-established and have a strong track record. Currently, MUJ is one of Rajasthan's top private universities and MAHE is also affiliated with the Manipal education group. However, MUJ and MAHE operate in a highly competitive education industry. Significant reduction in enrolment levels brought on by a downturn in student demand for its courses could adversely impact ECL's occupancy levels and the overall cash flow position. The company is also exposed to moderate counterparty risk, if the occupancy level declines below minimum guaranteed levels.

Liquidity: Adequate
As on October 31, 2025, ECL had cash and liquid investments of ₹470 crore (excluding DSRA balance of ₹15 crore). The company is expected to utilise some surplus cash for acquisition purpose. The company's liquidity is also supported with maintenance of DSRA equivalent to three months of repayment and interest due. The company is generating steady fee income supported by healthy occupancy level of 100%, leading to healthy CCR debt tenure. Presence of strong sponsors provides additional comfort. Given the strong operational portfolio and healthy demand, GHS Group is strategically important to the sponsors hence, existing sponsors are also expected to extend adequate support, if required.

Assumptions/Covenants: Not applicable

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
Financial Ratios – Non financial Sector
Factoring Linkages Parent Sub JV Group
Rating methodology for Debt backed by lease rentals
Withdrawal Policy

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

Incorporated in April 2005, ECL, is engaged in acquiring and operating student hostels, which are part of universities for hostel services. The holding company has ~5920 beds in MUJ and ~18,000 beds at a consolidated level. The group is actively considering increasing scale of operations inorganically and is strategically and economically important to the ultimate sponsor.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	144.39	156.90
PBILDT	86.07	98.31
PAT	37.67	48.33
Overall gearing (times)	0.60	0.68
Interest coverage (times)	2.22	2.19

A: Audited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Issuer Rating-Issuer Ratings		-	-	-	0.00	Withdrawn
Term Loan-Long Term		-	-	31-03-2040	484.49	CARE A; 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 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	Issuer Rating-Issuer Ratings	LT	-	-	1)CARE A; Stable (22-May-25) 2)CARE A; Stable (04-Apr-25)	-	-	-
2	Term Loan-Long Term	LT	484.49	CARE A; Stable	1)CARE A; Stable (22-May-25)	-	-	-

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	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge 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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