

## Dattakala Shikshan Sanstha

January 27, 2026

Facilities	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	20.00	CARE BB-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating assigned to the bank facilities of Dattakala Shikshan Sanstha (DKSS) is constrained by its exposure to cash flow mismatches inherent in the education sector, stretched liquidity profile marked by high debt servicing obligations relative to modest cash accruals, weak debt coverage indicators, and the highly regulated nature of the education industry.

The rating, however, derives strength from the trust's established track record of operations of over 18 years with experienced management and its moderate and diversified scale of operations across multiple education segments, which provides some stability to revenues.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Growth in scale of operations with operating income above ₹50 crore with surplus before interest lease rentals, depreciation and tax (SBILDT) margins to above 12%.
- Improving collection days to below 100 days.

#### Negative factors

- Substantial decline in enrolment levels / fee collection leading to liquidity issues.
- Reduction in SBILDT margin below 7% on sustained basis.

**Analytical approach:** Consolidated, CARE Ratings Limited (CARE Ratings) has considered the financials of DKSS, which includes the financials of its institutes under/managed by DKSS has been considered for analysis purpose. Details of entities considered for consolidation are listed under **Annexure-6**.

### Outlook: Stable

The "stable" outlook on the long-term ratings reflects CARE Ratings belief that the trust will continue benefit from established track record of operations with diversified streams of revenue.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Exposure to cash flow mismatches inherent in the education sector

College fees are largely collected during June–July and December, while a portion of fees, including scholarship linked receivables, is often realised towards the end of the academic year, resulting in elongated receivable levels as on the balance sheet date. In contrast, the trust incurs fixed and regular cash outflows throughout the year towards staff salaries, maintenance expenses, interest costs, and term loan repayments. This timing mismatch between inflows and outflows constrains liquidity, particularly in the context of limited working capital facilities of ₹0.50 crore. While the trust maintained fixed deposits of ₹2.60 crore as on March 31, 2025, which provide some liquidity buffer, the same remains limited relative to the scale of operations and does not fully offset the structural timing mismatch, thereby exposing the trust to short-term liquidity pressures during periods of delayed fee collections.

##### Moderate Capital Structure and weak debt coverage indicators

The trust's capital structure remains moderate, with overall gearing of 1.62x as on March 31, 2025 (1.76x as on March 31, 2024). The debt profile primarily comprises term loans from banks and loans from related parties. While gearing has improved marginally, the financial risk profile remains constrained by weak debt coverage indicators, with interest coverage of 1.91x as on March 31, 2025 (1.71x in the previous year) and total debt to gross cash accruals (TD/GCA) of 9.92x (10.55x previously), reflecting modest internal cash generation relative to debt levels. In the absence of any large debt-funded capital expenditure, the capital structure is expected to remain largely stable over the medium term; however, improvement in debt coverage indicators will be contingent upon sustained growth in operating income and cash accruals.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

### Regulated nature of the industry

The ratings are constrained by the highly regulated nature of the higher education sector, wherein both central and state governments regulate key aspects of operations through statutory bodies such as the University Grants Commission (UGC), the All-India Council for Technical Education (AICTE), and the respective state authorities. Regulations governing course approvals, seat allocations, fee structures, staff qualifications, and periodic inspections restrict pricing flexibility and limit the trust's ability to fully pass on cost increases, thereby impacting revenue growth and margin stability.

### Key strengths

#### Established Track record of operation with experienced management

The trust's established track record of operations of over 18 years in the education sector and continuity in its management. Dattakala Shikshan Sanstha (DKSS), established in 2006, operates a network of institutions offering undergraduate and postgraduate programs in engineering, management, and pharmacy, along with SSC and CBSE schools and junior colleges. The trust is managed by Prof. Ramdas M. Zol (President) and Mrs. Maya R. Zol (Secretary), who oversee the academic, administrative, and financial operations. The long operating history and continuity in leadership have enabled the trust to sustain operations across academic cycles and demonstrate financial discipline, as reflected in its proactive debt prepayment track record.

#### Moderate and diversified scale of operation

The trust operates institutions offering programs in engineering, management, pharmacy, and school education, which provides some diversification in revenue streams and reduces dependence on any single course or segment. Student strength increased from 3,441 in FY23 to 4,098 in FY25, reflecting a gradual improvement in enrolments. Total operating income stood at ₹39.52 crore in FY25 (FY24: ₹41.81 crore), with the moderation primarily attributable to normalisation in ancillary income, particularly hostel fees, following a strong FY24. While the scale of operations remains moderate and geographically concentrated in Pune district (with one school in Solapur), the presence across multiple education segments provides some stability to revenues.

#### Liquidity: Stretched

Liquidity of the trust is stretched marked by high debt service obligations of Rs. 4-5 crore during the period FY26 FY28 as against GCA of Rs. 1.94 crore in FY25. In the near to medium term and slow growth in the net cash accruals. The Trust had Rs. 0.16 crore as cash and bank balance as of March 31, 2025. The current ratio stood moderate at 1.17x in FY25 (P.Y.: 1.13x). Trust has working capital limits of Rs. 0.50 crore, the utilisation for which stood at 70-80% for the past twelve months ended Nov-2025. The limits have been enhanced to Rs. 6.40 crore as on December-2025 providing cushion to the liquidity the reliance on short-term borrowings to meet timing mismatches in cash flows exposes the trust to refinancing and rollover risks.

**Assumptions/Covenants:** Not Applicable

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

### Applicable criteria

[Consolidation](#)

[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

Dattakala Shikshan Sanstha (DKSS) is an educational trust established in 2006 and located at Swami-Chincholi, Taluka Daund, Pune district, Maharashtra. The trust operates a group of educational institutions offering undergraduate and postgraduate programs in engineering, management, and pharmacy, along with SSC- and CBSE-affiliated schools and junior colleges. The institutions are housed on a campus spread over approximately 25 acres and are supported by common infrastructure facilities, including hostels, libraries, workshops, and sports amenities. DKSS is registered under the Bombay Public Trust Act and the Maharashtra Societies Registration Act and is managed by Prof. Ramdas M. Zol (President) and Mrs. Maya R. Zol (Secretary).

Brief Financials (₹ crore) (Consolidated)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	41.81	39.52
SBILDT*	4.51	3.81
Surplus after tax (SAT)	0.24	0.23
Overall gearing (x)	1.84	1.62
Interest coverage (x)	1.71	1.91

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

\*Surplus: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** ACUITE, placed ratings assigned to bank facilities of DKSS under issuer not cooperating category, vide its press release dated Jan 20, 2026, due to non-submission of information.

**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-Cash Credit		-	-	-	10.03	CARE BB-; Stable
Fund-based - LT-Term Loan		-	-	Dec 2027	9.97	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 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	9.97	CARE BB-; Stable				
2	Fund-based - LT-Cash Credit	LT	10.03	CARE BB-; Stable				

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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

#### Annexure-5: Lender details

To view 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	Dattakala Group of Institutions	Full	Owned by trust
2	Dattakala College Of Pharmacy	Full	
3	Anusaya Institute of Pharmacy	Full	
4	Dattakala Institute of Pharmaceutical Science & Research	Full	
5	Dattakala International School & Jr.College	Full	
6	Dattakala International School	Full	
7	Dattakala Ideal School & Jr. College, Solapur	Full	

**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](mailto:care@careedge.in) for clarifications.

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