

Wisdom Foundation

January 05, 2026

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	10.10 (Reduced from 11.63)	CARE BB-; Stable	Upgraded from CARE B+; Stable

Details of facilities in Annexure-1.

Rationale and key rating drivers

Revision in the rating assigned to the bank facilities of Wisdom Foundation (WF) is on account of improvement in the financial profile of the trust in FY25 (refers to the period April 1 to March 31) backed by increase in student enrolments.

The rating continues to be constrained by its small scale of operations with low net worth base in FY25, limited outreach on account of operations from a single campus, highly regulated education sector in India and leveraged capital structure and debt protection metrics.

However, the aforesaid constraints are partially offset by its experienced management even though they are venturing into a new business segment, association of the school with the brand name of Delhi Public School (DPS) and modern campus infrastructure.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Gradual increase in enrolments above 60% with increase in TOI over ₹11 crore.
- Improvement in TD/GCA below 5x on a sustained basis.

Negative factors

- Decline in operating income below ₹7 crore due to low enrolments on a sustained basis leading to trust incurring cash loss.
- Increase in debt levels leading to moderation in TDGCA above 7x a sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects that the entity will be able to scale up its business with improvement in its enrolment in medium term.

Detailed description of key rating drivers:

Key weaknesses

Small scale of operations with low net worth base

The trust earned total operating income (TOI) of ₹7.99 crore in FY25, reflecting a 41% year-on-year growth over FY24, driven by an increase in student strength to 833 and an improvement in the enrolment ratio to ~54% in FY25. Despite this growth, the scale of operations remains modest as the trust is only in its third year of operations.

Furthermore, the corpus fund stood low at ₹2.09 crore as on March 31, 2025, owing to losses incurred during the initial years.

Limited outreach on account of operations from a single campus

WF operates only one school by the name of 'Delhi Public School, Tezpur' in Tezpur, Assam, and hence, the entire revenue of the trust is dependent upon one campus operation. The single campus and regional footprint limit the reach and penetration levels for the trust to tap growth opportunities.

Highly regulated education sector in India

The subject of 'Education' in India is placed in the concurrent list of the constitution and thus comes under the purview of both the Central as well as the State Governments. The sector is regulated by the Ministry of Human Resources, at the national level, and by the education ministries in each state, as well as by the Central bodies like University Grant Commission (UGC) and 14 other professional councils. The operating and financial flexibility of the higher education sector are limited, as regulations govern almost all aspects of operations, including fee structure, number of seats, changes in curriculum and infrastructure requirements. Despite the increasing trend of privatization of education sector in India, regulatory challenges continue to pose a significant threat to the educational institutes. Affiliation to an educational board is a vital part of any school's operations and WF has affiliated with CBSE since February 2024.

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

Leveraged capital structure and debt protection metrics

The capital structure remains highly leveraged, with overall gearing of 6.79x as on March 31, 2025, compared to 5.62x as on March 31, 2024. This moderation is attributable to substantial debt for constructing school premises, additional borrowings for school buses, and a reduction in corpus funds due to initial losses. The interest coverage ratio improved from 1.10x in FY24 to 2.09x in FY25, supported by higher absolute SBILDT levels. The trust reported GCA of ₹2.07 crore in FY25 against GCA of ₹0.58 crore in FY24, resulting in a significant improvement in TD/GCA, which stood at 6.86x as on March 31, 2025.

Key strengths**Experienced management, though venturing into a new business segment**

The president of the trust, Govind Khaitan, is a renowned businessman having business experience of more than 22 years in the field of construction under the name of M/s M. P. Khaitan. He is a director in entities which are engaged in construction and sale of commercial and residential buildings. He is also engaged in other businesses like manufacturing of pet preforms and packaged drinking water. The secretary of the trust, Jitendra Agarwal, is engaged in the trading business of hardware goods, building construction material and has business experience of more than 20 years. Mr. Khaitan and Mr. Agarwal are also partners in an upcoming hotel in Tezpur, Assam, in the name of Imperial Hotels and Resorts. Apart from the trustees mentioned above, Jitendra Sharma, Rajender Sharma, Rakesh Agarwal and Sanjay Khaitan are also an integral part of the foundation and have extensive business experience in their respective business fields.

Association of the school with the brand name of DPS

WF has tied up with the reputed DPS group. DPS has agreed to lend its name to the school set up by WF against an annual royalty fee. Further, WF can also use the expertise and assistance of DPS whenever required since DPS has a long and satisfactory track record with regards to operating and maintaining schools. The brand name of DPS will also help in the publicity of school, potentially leading to increased enrolments of students.

Modern campus infrastructure

DPS, Tezpur, is spread across an area of 4.90 acres approximately. The school has modern infrastructure in place including sports, library, transport, canteen, and health facilities. The campus features well equipped classrooms, laboratories, computer centres, Wi-Fi internet facility, and other resources. The school gives emphasis on extra co-curricular activities in different fields and has facilities such as football, cricket grounds and athletic track, along with a basketball court. Further, the school also has facilities of online teaching for the students in the event of lockdown or other unforeseen circumstances.

Improvement in financial performance in FY25

The TOI of the trust witnessed y-o-y growth of 41% to Rs.7.99 crore in FY25 backed by increased enrolments. The SBILDT margin has witnessed significant improvement from 28.60% in FY24 to 38.81% in FY25. However, with higher capital costs, the trust incurred net loss of Rs.0.88 crore which reduced from net loss of Rs.2.39 crore in FY24. The revenue is expected to increase going forward which would lead to improvement in the financial performance of the trust.

Liquidity: Stretched

The liquidity of the trust is marked stretched with Trust earning low GCA of Rs.2.07 crore as against debt repayment obligation of R.0.87 crore in FY25. In FY26, the trust has debt repayment obligation of Rs.1.83 crore against which it is expected to generate sufficient cash accruals; however, overall cash accruals are expected to remain low. The free cash and bank balance stood at Rs.0.34 crore as on March 31, 2025. Current ratio stood low at 0.16x as on March 31, 2025.

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](#)

[Short Term Instruments](#)

Environmental, social and governance (ESG) risks: Not applicable

About the company and industry

Industry classification

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

WF was established in the year 2015 as a public charitable trust for setting up of an educational institution in Assam. For this, WF has tied up with DPS, to lends its brand name in exchange for a fixed consideration. The school has commenced operations from April 2022 and is spread across 4.90 acres of land in Borjhargaon, Assam, 6 km away from the city of Tezpur. The day-to-day functioning of the school is being handled by Mr. Dhanveer Singh Arora who is the principal of the school and has over two decades of experience in the educational sector. The managing committee and trustees of WF comprise of Govind Khaitan, Jatinder Sharma, Rajender Sharma, Jitendra Agarwal, Rakesh Agarwal and Sanjay Khaitan. The trustees are experienced and have a long track record of handling various businesses such as construction, warehousing, logistics, manufacturing of beverages and trading of hardware items.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	5.65	7.99
PBILDT*	1.62	3.10
Profit after tax (PAT)	-2.39	-0.88
Overall gearing (x)	5.62	6.79
Interest coverage (x)	1.10	2.09

A: Audited; UA: Unaudited; 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
Fund-based - LT-Term Loan		-	-	January 2032	10.10	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	10.10	CARE BB-; Stable	-	1)CARE B+; Stable (08-Jan-25) 2)CARE D (02-Jul-24)	1)CARE BB; Stable (07-Aug-23)	1)CARE BB; Stable (18-Jul-22)

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 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.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Arindam Saha Director CARE Ratings Limited Phone: + 91-33-40181631 E-mail: arindam.saha@careedge.in</p> <p>Kamal Mahipal Assistant Director CARE Ratings Limited Phone: + 91-33-40181628 E-mail: kamal.mahipal@careedge.in</p> <p>Onkar Verma Lead Analyst CARE Ratings Limited E-mail: Onkar.verma@careedge.in</p>
--	---

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**