

Indian Public School Private Limited

March 13, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|---------------------------|-------------------------------|---------------------|--|
| Long Term Bank Facilities | 23.86 (Reduced from 50.00) | CARE D | Rating removed from ISSUER NOT COOPERATING category and Downgraded from CARE BB+; Stable |

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings), vide its press release dated March 19, 2025, had rated the bank facilities of the ratings of Indian Public School Private Limited (IPSPL) as 'ISSUER NOT COOPERATING', since the company had not provided the requisite information for monitoring the ratings. The company has now cooperated for undertaking the review.

The revision in the rating assigned to the bank facilities of Indian Public School Private Limited (IPSPL) takes into account the ongoing delays in servicing of its term loan obligations. CareEdge Ratings also notes the ongoing dispute among the company's shareholders pertaining to alleged lapses in operational management, including misappropriation of funds. The ratings continue to remain constrained by the highly competitive and regulated nature of the education sector, the inherent volatility in cash flows associated with educational institutions, and the company's sizeable exposure to its subsidiaries and associate entities.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Satisfactory track record of timely repayment and servicing of debt obligation for a continuous period of 90 days.
- Successful recovery of the disputed funds from the erstwhile management following a favourable resolution of the ongoing litigation.

Negative factors

- Not applicable for D rated companies

Analytical approach: Standalone

Detailed description of key rating drivers:

Key weaknesses

Delay in debt servicing

As per the company's annual report for FY25 and feedback received from the lender as part of due diligence exercise conducted by CareEdge Ratings, there has been an instance of delay in repayment of term loan obligations during the month of March 2025. This default occurred during the tenure of the former Managing Director, Mr. Ashok Kumar, and is attributed to alleged misappropriation of company funds. There are ongoing delays as well in the repayment of hire purchase loans in respect of 25 vehicles, the possession of which, according to the current management, continues to lie with erstwhile Managing Director.

Change in company's management

There was a change in the company's management in March 2025 pursuant to an ongoing dispute among the shareholders. Based on allegations of operational lapses by the erstwhile managing director, including misappropriation of funds, the holding company, Nuevo Agora Centro De Estudios S.L (NACE), based out of Spain, has appointed a new managerial team to oversee IPSPL's day-to-day operations. The shareholder dispute remains unresolved, and the outcome of the same continues to pose uncertainty with respect to the company's financial risk profile. As per the annual report, the outstanding balance which is recoverable from Ashok Kumar stood at ₹29.21 crore as on March 31, 2025.

Exposure to group companies

The company has significant exposure to group entities, with unsecured loans extended to subsidiaries and related parties aggregating to ₹40.33 crore as on March 31, 2025 (PY: ₹31.05 crore). The timely realisation of these advances remains critical, especially in view of the ongoing shareholder dispute, which constrains the company's liquidity profile. The outstanding advances to group companies account for 52.63% of the company's net worth as of FY25.

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

Uneven cash flows associated with educational institutes

In every academic year, term fee is generally collected at an interval of three months in the months of March, July and October with 45 days window period for students to make fee payment, ~80% of fee instalments are collected before the due date, but 20% of fee is collected after the due date (without penalties). The company uses overdraft facility to manage any interim cashflow mismatches.

Highly competitive and regulated industry

Growth in private schools providing quality education has been significant over the recent years. The education sector offers immense potential as there is a growing demand for services offered, driven by increasing propensity of middle class to spend on education and India's increasing population. New schools being added every year and already established schools which result in high competition level in the state and adjoining areas of TIPS.

Liquidity: Poor

The liquidity is poor marked by delays in repayment obligation. The current ratio stood low at 0.12x as on March 31, 2025 (PY:0.73x). The company has limited free cash and bank balance of Rs.1.4 crore as on March 31, 2025. Average utilisation of working capital limits stood at 30.54% for the 12 months ended January 2026.

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](#)

[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 |

IPSPL is a Coimbatore-based company incorporated in 2006 by A Ashok Kumar to provide holistic learning environment for students under brand "TIPS". TIPS offer international baccalaureate, Cambridge IGCSE and CBSE curriculum to its students. During 2013, Nuevo Agora Centro De Estudios S.L (NACE), based out of Spain, acquired a stake in IPSPL. NACE Schools, an international educational group, owns and operates more than 55 international private schools across the world. NACE is completely owned by "Providence and Wendel group". The schools of NACE group run under the brand name of "Globeducate". They currently operate schools in various other countries like Spain, Andorra, France, Italy, United Kingdom, Portugal, Canada, and Qatar. As on March 31, 2025, NACE along with its affiliate holds 80.25% in IPSPL while the balance is held by Mr. Ashok Kumar.

| Brief financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) | 9mFY26 (UA) |
|----------------------------|--------------------|--------------------|-------------|
| Total operating income | 170.69 | 161.33 | 134.81 |
| PBILDT* | 36.38 | 36.51 | 41.86 |
| Profit after tax (PAT) | (16.49) | 7.58 | NA |
| Overall gearing (x) | 1.48 | 1.57 | NA |
| Interest coverage (x) | 4.39 | 3.69 | 5.38 |

A: Audited UA: Unaudited NA: Not available; 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 (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|--------------------------------|------|-------------------------------|-----------------|----------------------------|-----------------------------|------------------------------------|
| Fund-based - LT-Bank Overdraft | | - | - | - | 16.79 | CARE D |
| Fund-based - LT-Term Loan | | - | - | 30-06-2027 | 7.07 | 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 | 7.07 | CARE D | - | 1)CARE BB+; Stable; ISSUER NOT COOPERATING* (19-Mar-25) 2)CARE BBB-; Stable; ISSUER NOT COOPERATING* (10-Oct-24) | 1)CARE BBB; Stable (09-Aug-23) | 1)CARE BBB; Stable (17-May-22) |
| 2 | Fund-based - LT-Bank Overdraft | LT | 16.79 | CARE D | - | 1)CARE BB+; Stable; ISSUER NOT COOPERATING* (19-Mar-25) 2)CARE BBB-; Stable; ISSUER NOT COOPERATING* (10-Oct-24) | 1)CARE BBB; Stable (09-Aug-23) | 1)CARE BBB; Stable (17-May-22) |

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

LT: Long 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-Bank Overdraft | Simple |
| 2 | 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

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