

Swordlily cultural and Sports Private Limited

March 16, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	258.48	CARE BBB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in the rating assigned to bank facilities of Swordlily Cultural and Sports Private Limited (SCSPL) is driven by improvement in operational and financial performance in FY25 (Audited, FY refers to April 01 to March 31) and 9MFY26 (Unaudited) considering increase in effective lease rental, and increase in revenue from sports facilities backed by increase in student capacity in school and sports facilities. The rating strengths are further driven by resourceful promoters belonging to the Aurobindo Pharma group, shortfall undertaking to banks by the promoters to infuse funds for cash flow shortfall.

However, rating strengths are partially offset by single tenant concentration risk, leveraged capital structure with repayment of unsecured loans funded through term loans, despite net worth turned positive by end of FY25 (A) and regulatory risk associated with the educational sector in India.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total debt to profit before interest, lease rentals, depreciation and taxation (TD/PBILDT) below 3.50x on a sustained basis.
- Improvement in cash flows and turning self-reliant, with no further need of financial support from promoters.

Negative factors

- Non-availability of requisite and timely support from the promoters, resulting in cash flow mismatches.
- Revocation or dilution of debt service reserve account (DSRA) or personal guarantee extended by the promoters towards the debt availed by SCSPL.

Analytical approach: Standalone, factoring in financial and operational linkages with the Aurobindo Pharma promoter group.

Outlook: Stable. CARE Ratings Limited (CareEdge Ratings) believes that the entity will continue to benefit from strong promoters and increasing student enrolments for school and sports facilities.

Detailed description of key rating drivers:

Key strengths

Robust lineage of Aurobindo Pharma Group

SCSPL benefits from strong promoter linkages with Aurobindo Pharma Limited. K. Nityananda Reddy, Vice chairman and Managing Director of Aurobindo Pharma Limited, serves as the Chairman of The Gaudium School. His daughter, Kirthi Reddy, is the Managing Director of SCSPL and the Founder and Vice President of The Gaudium School. K. Rajeswari, K. Nityananda Reddy's wife, and Prasad Reddy are directors of SCSPL. Promoters and K. Nityananda Reddy have provided personal guarantee for bank facilities of SCSPL. Promoters have also provided a shortfall undertaking to banks, to infuse funds for cash flow shortfall.

Gradual improvement in cashflows in last four years ended FY25 and 9MFY26

The company's revenue has witnessed significant growth, supported by the addition of new blocks and improvement in lease rentals. Pursuant to the renewal of the lease agreement in June 2023, the lease rate was revised upward from ₹32 per sq. ft. to ₹40 per sq. ft. effective FY24, with an additional block becoming operational in FY25. The performance has also been supported by Triarshaa Educational Society operating at optimal capacity, catering to a higher number of students. The average sports fee was increased from ₹25,000 to ₹40,000 from FY25, resulting in improved cash flows. CareEdge Ratings notes that Triarshaa is currently operating at its total student capacity of 4,600, which is expected to be sustained over the medium term. Through Gaudium Sportopia and Artopia, which provide sports and allied facilities beyond regular school hours, SCSPL generates additional revenue, with an average enrolment of ~300 students.

Improved scale of operations in FY25 and 9MFY26

The company continues to operate at a small scale; however, revenue from operations registered a healthy year-on-year growth of 24%, increasing to ₹48.88 crore in FY25 from ₹39.45 crore in FY24. The growth was driven by an increase in effective lease rental rates, revenue from the additional block leased out from FY25 onwards which includes improved sports facility service

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

income, increased to ₹12.75 crore in FY25 from ₹10.93 crore in FY24. The company's PBILDT and profit after taxation (PAT) remained comfortable at ₹40.62 crore and ₹8.91 crore, respectively, in FY25. However, despite the increase in scale, PAT moderated compared to FY24 due to higher interest costs arising from new term loans availed to repay unsecured promoter loans and to meet capex requirements. The debt addition was already envisaged and considered at the time of last review. Revenue further increased in 9MFY26, with TOI recorded at ₹44.05 crore, reflecting an annualised growth of ~20%, supported by higher lease rentals and increased average sports fee per following growth in student capacity (sports revenue for 9MFY26 stood at ₹13.79 crore). In line with revenue growth, PBILDT and PAT margins improved to 86.88% and 20.50%, respectively.

Unique business model, strong, and eminent sports faculties

SCSPL has developed a school on a 27-acre campus in Kollur, Hyderabad, which has been leased to Triarshaa Educational Society to operate as "The Gaudium School." The school offers diverse curricula, including International Baccalaureate (IB), Cambridge International (CAIE), and Central Board of Secondary Education (CBSE), across grade levels. SCSPL has developed and leased a Kindergarten campus in Nanakramguda. The company has also developed "Gaudium Sportopia," India's first fully integrated residential sports institution. Spread over an outdoor area of 2 lakh sq. ft. and an indoor area of 1 lakh sq. ft., Sportopia is designed to host over 25 sports academies, ranging from popular to non-conventional sports, under the mentorship of professional coaches. Sportopia is a part of the larger Gaudium campus, which includes the school, and an arts institute, Artopia.

Stable industry outlook

India has the world's largest population in the 5-24-years age group with 580 million people, presenting a huge opportunity in the education sector. The Indian edtech market, currently valued at ₹64,875 crore (US\$ 7.5 billion) is projected to reach ₹250,850 crore (US\$ 29-30 billion) by 2030-31, supported by rising digital adoption and demand for flexible learning models. India has also become the second-largest e-learning market after the US, with the online education segment alone expected to grow by US\$ 2.28 billion in 2021-2025 at a compound annual growth rate (CAGR) of ~20%. India's vast student population underscores the size of this opportunity.

Key weaknesses

Leveraged capital structure

Net worth base of the company turned positive in the current fiscal recorded at ₹5.55 crore in FY25 and further increased to ₹14.58 crore as on December 31, 2025, with accumulated profits added to net worth. However, financial risk profile marked by overall gearing ratio remained elongated to 53.07x at the back of higher debt levels. In FY24, SCSPL has availed additional term loans of ₹70 crore in FY25 to repay the unsecured loans, backed by personal guarantees of Nitya Reddy (Vice Chairman and Managing Director of Aurobindo Pharma Limited and Chairman of Gaudium school) and investment in capex for expansion of another block for Gaudium School which continues to result in higher debt levels. Despite gradual repayment of term loans, term debt o/s as on March 31, 2025, stood at ₹214.14 crore (against ₹194.87 crore as on March 31, 2024) considering term loans availed in FY25 to repay an unsecured promoter loan, backed by personal guarantee availed from Nitya Reddy. Loans availed from RBL is backed by personal guarantee of promoters and Kotak Mahindra Bank loan is backed by personal guarantee of promoters and corporate guarantee of Vigneshwara Thermal Power Pvt Limited (VTPPL). The loan repayment is expected to be serviced primarily through VTPPL's cash flows. Promoters have provided a shortfall undertaking to banks and would be infusing funds in case of cash flow shortfall.

As on December 31, 2025, overall gearing ratio stood at ₹19.14x at the back of gradual repayment of debt and healthy net profits added to net worth. However, financial risk profile remained weak. Any un-envisaged debt higher than existing levels resulted in further deterioration in financial risk profile is a key monitorable factor from credit perspective.

Single tenant concentration risk

As the property is leased out to single tenant, there exists high tenant concentration as inherent with single tenant/asset portfolio. Being in the education sector, the company's tenant is also exposed to high level of competition and regulations. While the company's tenant is expected to generate adequate revenues to cover rental expenses, sustenance of tenant's revenues will remain crucial from credit perspective. Moderation in lessee's credit profile can adversely affect the company's leasing income. The company's ability to timely realise lease rentals and exercise the escalation clause in accordance with lease agreements would remain monitorable.

Highly regulated industry amid competition

The education sector is highly fragmented with the presence of large number of small and big institutions due to high growth opportunities and government's thrust on education for all. Therefore, industry players are exposed to competition induced pressures on student enrolments and overall student strength. Despite favourable growth outlook of the education sector in India, regulatory challenges continue to pose a significant threat to educational institutes. Regulatory bodies are responsible for regulation, coordination, and development of higher education in India. The scope of government regulations is wide, starting from approval for establishment of courses/institute, intake capacity, fee structure, and periodic review for standards followed by the institute. All these factors have a significant impact on revenues and profitability of educational institutes.

Liquidity: Adequate.

The company's cash flows generated are adequate to meet operational requirements marked by gross cash accruals (GCA) of ₹20.31 crore for FY25. In 9MFY26, GCA is improved to ₹17.66 crores and is projecting GCA of ₹28.67 crores against debt repayment obligation of ₹31.93 crores for FY26. Promoters have provided a shortfall undertaking to banks, committing to bring in funds in case of cash flow shortfall. The company maintains a DSRA equivalent to three monthly instalments. The company is not utilising its sanctioned OD limit of ₹5 crore.

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](#)

[Service Sector Companies](#)

[Notching by Factoring Linkages with Parent](#)

About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Diversified Commercial Services

Incorporated on May 19, 2014, SCSPL is promoted by K Kirthi Reddy, daughter of K Nityananda Reddy, Vice chairman and Managing Director of Aurobindo Pharma Limited, and Prasada Reddy Kambham and K. Rajeswari. SCSPL has developed a school on a 27-acre campus in Kollur, Hyderabad, which has been leased to Triarshaa Educational Society to operate as "The Gaudium School." SCSPL has developed and leased a Kindergarten campus in Nanakramguda. The company has also developed "Gaudium Sportopia," India's first fully integrated residential sports institution. Spread over an outdoor area of 2 lakh sq. ft. and an indoor area of 1 lakh sq. ft., Sportopia is designed to host over 25 sports academies, ranging from popular to non-conventional sports, under the mentorship of professional coaches.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	38.74	47.97	44.05
PBILDT*	34.70	39.71	38.27
Profit after tax (PAT)	9.70	8.91	9.03
Overall gearing (x)	-89.66	53.07	19.14
Interest coverage (x)	2.21	1.94	2.35

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 (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		-	-	-	5.00	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	31-Mar-2034	253.48	CARE BBB-; 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	253.48	CARE BBB-; Stable	-	1)CARE BBB-; Stable (07-Mar-25) 2)CARE BBB-; Stable (04-Feb-25)	1)CARE BBB-; Stable (06-Nov-23)	1)CARE BBB-; Stable (30-Aug-22)
2	Fund-based - LT-Bank Overdraft	LT	5.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (07-Mar-25) 2)CARE BBB-; Stable (04-Feb-25)	1)CARE BBB-; Stable (06-Nov-23)	1)CARE BBB-; Stable (30-Aug-22)

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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