

## Suresh Angadi Education Foundation

April 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	47.96 (Reduced from 61.35)	CARE D	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities of Suresh Angadi Education Foundation (SAEF) factors in the ongoing delays in debt servicing of the term loan facility. There are ongoing delays in payment of interest and subsequently there have been multiple instances of penal charges in the bank statement.

The ratings continue to remain constrained on account of small scale of operations despite continuous improvement in Total Operating Income (TOI) led by increase in intake of students, weak financial risk profile marked by high debt and negative net worth and presence in intensely competitive and regulated industry. The ratings, however, derive strength from the vast experience of trustees and diverse portfolio of courses offered.

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

**Positive factors:** Factors that could individually or collectively lead to positive rating action/upgrade:

- Delay-free track record of over three months

**Negative factors:** Factors that could individually or collectively lead to negative rating action/downgrade: Not Applicable

**Analytical approach:** Consolidated

Consolidated approach is taken due to the operational and financial linkages between the institutions under SAEF and the inherent cash flow fungibility among them. The list of entities under SAEF which are considered for consolidation are mentioned in Annexure-6.

**Outlook:** Not Applicable As rating is in default category

### Detailed description of key rating drivers:

#### Key strengths:

##### Vast experience of trustees

SAEF was established in 2008 by late Dr. Suresh M Angadi (Former Member of Parliament from Belagavi constituency and Union Minister of State for Railways) and is currently managed by Smt. Mangala S Angadi(wife of late Mr. Suresh Angadi) who is presently serving as the Chairman of Suresh Angadi Education Foundation (SAEF).She was elected as a Member of Parliament for Belagavi Lok Sabha constituency in 2021. She is ably assisted by her elder daughter, Dr. Spoorti Patil who is serving as the director of SAEF and younger daughter Smt. Shradha Shettar who is looking for after overall operations of the trust.

##### Diverse portfolio of courses offered

SAEF offers wide variety of courses spanning schooling, diploma, graduation and post-graduation levels across diverse disciplines such as management, engineering, science, commerce, arts and architecture

#### Key weaknesses

##### Ongoing delays in debt servicing

There are ongoing delays in debt servicing of term loan facility. The same has been confirmed by the management and the lender. Also, a per the loan statement there are ongoing delays in payment of interest and principal and subsequently there are multiple instances of penal interest charges. As articulated by the management, the delay was on account of cashflow mismatch between the fee collection and scheduled payment. With the increase in enrolment and fee collections , the same is expected to be regularized going forward and shall remain a key rating monitorable. Principal is paid two times once in September end and second March end. The company starts collecting the fees from August month, hence generally there are no delays faced for September repayment. However, for the subsequent semester, the fees collections starts from April, while the principal is due on March end,

<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.

hence there are delays faced. However, for the current year installment the company has already paid the entire due for March 31, 2026. The interest is serviced on monthly basis, hence there are delays of few days in the past.

### Small scale of operations albeit continuous improvement in TOI

The scale of operations of SAEF have remained small with Total Operating Income (TOI) in the range of Rs. 20-35 crore during FY23-FY25. However, the TOI has grown at a CAGR of 25.59% from FY21-FY25 and has improved by 17.46% from Rs. 27.55 crore in FY24 to Rs. 33.62 crore in FY25 driven by increase in enrolment and revenue of Angadi Institute of Technology and Management.

### Weak financial risk profile marked by high debt and negative net worth

The financial risk profile of SAEF stood weak marked by high term debt and negative net-worth as on 31st March ,2025. The net-worth has remained negative over the past 3 years owing to continued losses at net level from FY21-FY24. However, the trust has reported SAT of Rs. 2.57 crore in FY25 as per FY25(Audited) financials.

Debt coverage indicators stood marginally weak, as marked by moderate PBILDT interest coverage of 1.76x in FY25 (1.46x in FY24) and very high total debt to GCA (TD/GCA) of 7.68x in FY25(15.11x in FY24). It remained stable during the year was on account of improvement in profitability and stable debt levels.

### Intense competition and regulated industry

Despite the increasing trend of privatisation in the education sector in India, the sector continues to operate under stringent regulatory purview. In addition to the University Grants Commission (UGC) and AICTE norms, higher education institutes such as colleges and universities are regulated by the respective state governments with respect to the number of management seats and amount of the tuition fees charged for the government quota and management quota giving limited flexibility to the institutions. These factors resultantly have significant impact on the institutions' revenue generating capacity and profitability.

### Liquidity: Poor

The liquidity of the trust is poor marked by delay in servicing of debt obligations. The trust has high repayment obligations of Rs. 10-11 crore in FY26 and FY27 against which it has achieved a GCA of Rs. 10 crore as per FY25 (Audited) financials.

### 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

Suresh Angadi Education Foundation (SAEF) was established in the year 2008 by Late Mr. Suresh Channabasappa Angadi, who was once an MP from Belagavi, Karnataka till Sept'20. The trust was established to set up educational institutions in Belagavi. At present SAEF has 4 institutions under its ambit i.e Angadi Institute of Technology and Management, Angadi College of Commerce & Science, Angadi International School and Angadi School of Architecture.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	27.55	32.36
PBILDT*	14.41	17.43
Profit after tax (PAT)	-2.09	2.57
Overall gearing (x)	-11.14	-15.79
Interest coverage (x)	1.46	1.76

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:** NA

**Any other information:** NA

**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-Funded Interest term Loan	-	-	-	September 2029	13.04	CARE D
Fund-based - LT-Term Loan	-	-	-	September 2029	34.92	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	34.92	CARE D	1)CARE D (20-May-25)	1)CARE D; ISSUER NOT COOPERATING * (01-Aug-24)	1)CARE D; ISSUER NOT COOPERATING * (15-May-23)	-
2	Fund-based - LT-Funded Interest term Loan	LT	13.04	CARE D	1)CARE D (20-May-25)	1)CARE D; ISSUER NOT COOPERATING * (01-Aug-24)	1)CARE D; ISSUER NOT COOPERATING * (15-May-23)	-

\*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-Funded Interest term Loan	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	Suresh Angadi Education Foundation	Full	Wholly owned
2	Angadi Institute of Technology & Management	Full	Wholly owned
3	Angadi College of Commerce & Science, Belagavi	Full	Wholly owned
4	Angadi International School	Full	Wholly owned
5	Angadi School of Architecture	Full	Wholly owned

**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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