Sahasra Educational Society

June 24, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	29.50	CARE BB+; Stable	Assigned
Short-term bank facilities	29.50	CARE A4+	Assigned

Details of instruments/facilities in Annexure-1.

List of facilities / instruments falling under the purview of financial sector regulators (FSRs), and the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Ratings assigned to bank facilities of Sahasra Educational Society (SES) are constrained by relatively moderate scale of operations, stretched working capital cycle, competitive and regulated challenges in the educational sector. However, ratings derive strength from long-standing track record of operations of the society, experienced society members, wide spectrum of courses offered by the society with all statutory approvals in place, adequate infrastructure facilities, stable operations, and comfortable enrolment ratios.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in scale of operations by 30% with sustained surplus before interest, lease rentals, depreciation, and taxation (SBILDT)margin.
- Maintaining overall gearing ratio below unity.

Negative factors

- Decrease in overall enrolment ratio below 90% on a sustained basis.
- Significant deterioration in total debt/ surplus before interest, lease rentals, depreciation, and taxation (TD/SBILDT).

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the society will continue to benefit from strong track record and experience of members.

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operation

In the academic year 2025–26, student intake rose to 4123, up from the previous year, SES offers courses in undergraduate, postgraduate (PG), diploma under pharmacy, medical and nursing. Scale of operations stood relatively moderate with total operating income (TOI) of ₹54 crore in FY26, despite improving from ₹45 crore in FY25 at a year-over-year (y-o-y) growth rate of 18%, owing to the incremental growth in gross receipt from colleges.

The faculty strength remained strong at 154 teaching staff of highly qualified professionals. The society's surplus before interest and depreciation (SBID) margin remained at 35.68% in FY26 (PY 38.25%), while surplus margins remained at 18.81% in FY26 (PY 24.36), due to higher employee costs, higher interest, and depreciation cost.

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

Elongated operating cycle though an improvement expected due to proposed deemed university status
The operating cycle stood elongated at 115 days in FY26, primarily due to a high collection period of 152 days caused by delays in fee reimbursements from the government for student grants and delay from Aarogyasri patients. Approximately 35-40% of students are eligible under the fee reimbursement scheme, resulting in high receivables as reimbursements are received quarterly from the government.

Receivables from the government remained significantly high at ₹14.85 crore in FY26, compared to ₹13.41 crore in FY25, due to delayed payments from the government, resulting in higher collection period of 152 days in FY26. Given the state government's focus on promoting undergraduate education and consistent budgetary allocations, these receivables are considered secure.

High competition
The education sector remains highly competitive, driven by significant growth opportunities and government emphasis on universal education. This creates pressure on student enrolments and overall intake across institutions.

SES faces intense competition for graduate programs and popular courses of pharmacy from nearby institutions. Despite this, SES has consistently maintained a healthy enrolment ratio, achieving ~90–100% in courses, such as B.Pharm and MBBS. CareEdge Ratings expects SES to sustain high enrolment levels in the near term, supported by its strong brand image, satisfactory infrastructure, and new course for PG medicine.

Limited outreach considering operations only in Warangal
SES's operations are concentrated in Warangal, making revenue depend on the city's educational and economic potential. Majority students are from the Telangana region, limiting SES's ability to tap opportunities beyond this geography.

CareEdge Ratings expects SES to maintain strong enrolment levels in the near term, despite geographical concentration, supported by its brand strength and course diversity.

Statutory approvals and affiliations in place
SES operates in a highly regulated sector, which remains under strict oversight, despite increasing privatisation trends. Regulatory constraints often make it challenging for institutions to implement plans or adapt quickly, impacting operational flexibility. Institutions are regulated by bodies, such as the National Medical Commission (NMC), University Grants Commission (UGC), All India Council for Technical Education (AICTE), and state governments. These bodies govern aspects like seat allocation and tuition fees for government and management quotas, limiting flexibility. Self-financing colleges also have fees regulated by statutory authorities.

Operational flexibility is further constrained by regulations on fee structures, seat numbers, curriculum changes, and infrastructure norms. Such regulatory factors significantly influence revenue and profitability of educational institutions.

Key strengths

Qualified, experienced society members and governing body
The society is governed by an experienced body, comprising professionals from diverse fields, including academicians, engineers, legal experts, social workers, and industrialists. SES is promoted by Ramesh Thippani well known and first radiologist in the city of Warangal, who is the President of the entity. Tippani Deepthi, Vice President, has experience of overseas operations. Tippani Dheeraj, Treasurer, has experience of overseas operations.

SES benefits from the active involvement of its key management members, who have played an important role in the development and oversight of its educational institutions. The management closely monitors operations and applies established practices, supported by experience in the education sector and other industries, which has aided in maintaining governance standards and academic quality.

Diversified academic courses offered
SES offers a diversified academic portfolio across undergraduate, graduate, and PG levels, including medicine, pharmacy, nursing, paramedical sciences, and allied health disciplines. The faculty team is also experienced, with teaching staff, including highly qualified professionals. Various academic programs have supported steady growth in student enrolments, reflecting sustained demand for SES's educational offerings. Despite facing significant competition, SES has maintained a stable enrolment ratio of above 90%.

Healthy enrolment levels with increase in approved intake and increase in fees
Healthy enrolment level from medical and pharmacy related disciplines above 90% over the years from where the society derives its majority income. In academic year 2026-27, the society has applied for PG courses in medicine this increase shall result in increase in revenue for SES in the near term.

SES enjoys a competitive edge over other institutions owing to its strong brand image, long operational track record, and superior facilities. The overall enrolment ratio has consistently exceeded 90% in the last five years.

Accretion of surplus to net worth leading to comfortable gearing ratio
The society's financial risk profile remains comfortable, supported by satisfactory overall gearing, and debt coverage ratios. Overall gearing improved to 0.55x as on March 31, 2026 (PY: 0.75x), aided by healthy net worth position and profit accretion.

The debt profile comprises term loans availed for upgrading the medical college and hospital and working capital borrowings for operational needs. Interest coverage ratio improved to 8.55x in FY26, from 8.17x in FY25. TD to gross cash accruals (GCA) improved to 1.56x as on March 31, 2026, compared to 1.80x as on March 31, 2025.

Liquidity: Adequate
The society has adequate liquidity, supported by GCA of ₹16.78 crore in FY26, against scheduled debt repayment of ₹2.37 crore in FY27.

Working capital limit utilisation remained moderate at ~62% in 12 months ended March 2026, primarily due to delays in fee reimbursements from the government, which accounts for ~30% of total academic receipts. The current ratio improved to 1.47x as on March 31, 2026, from 1.32x as on March 31, 2025.

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
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Other consumer services	Education

Headquartered in Warangal, Telangana, SES was established in 2006 by Ramesh Tippani as a trust. SES was established with the objective of imparting technical education through B.Tech and M.Tech programs, which were operated successfully for several years before being discontinued. SES subsequently diversified into pharmaceutical education by setting up colleges offering B.Pharm, M.Pharm, and Pharm.D programs, followed by the establishment of a multi-specialty hospital, earlier known as Relief Hospital. Building on this foundation, the society expanded into medical education, introducing MBBS, B.Sc. Nursing, Allied Health Sciences, and paramedical courses. As of 2022, the hospital has a capacity of 750 beds, with approvals for a medical college initially with 100 MBBS seats, later increased to 150 seats, and a B.Sc. Nursing college with an intake of 100 seats.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (P)
Total operating income	45.37	53.57
PBILDT*	17.35	19.11
Profit after tax (PAT)	11.05	10.08

Overall gearing (x)	0.75	0.55
Interest coverage (x)	8.17	8.56

A: Audited; UA: Unaudited; P: Provisional; Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA:
CRISIL has placed the rating assigned to bank facilities of SES into Issuer Not Cooperating category vide press release dated September 24, 2025, considering its inability to carry out a review in the absence of requisite 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		-	-	-	15.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	17-05-2035	14.50	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	29.50	CARE A4+

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	15.00	CARE BB+; Stable				
2	Non-fund-based - ST-Bank Guarantee	ST	29.50	CARE A4+				
3	Fund-based - LT-Term Loan	LT	14.50	CARE BB+; Stable				

LT: Long term; ST: 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
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of FSRs, and the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

[2] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

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