Hyderabad Educational Academy Private Limited

June 24, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	185.00	CARE BBB; Stable	Assigned

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

To arrive at the rating, CARE Ratings Limited (CareEdge Ratings) has assessed combined performance of Hyderabad Educational Academy Private Limited (HEAL) and GIIS LEARNING PRIVATE LIMITED (GIIS LRN). Through their respective trusts / Society – Hyderabad Educational Academy (HEA), One Universe Educational Trust (OUET), and Goravigere Educational Society (GES) – HEAL and GIIS LRN collectively provide services across six schools operated under these trusts/ societies.

The rating assigned to bank facilities of HEAL derives strength from established operating track record of the Global Schools Group (GSG), which operates schools across multiple countries, including India, and benefits from a professional and experienced leadership team. HEAL and GIIS LRN are proposing to raise debt to refinance their existing borrowings, including a top-up facility, with an extended repayment tenure. CareEdge Ratings views this positively, as longer repayment schedule is expected to reduce annual debt servicing obligations and improve debt service coverage ratio (DSCR).

CareEdge Ratings also notes the presence of several intercompany expenses associated with HEAL and GIIS LRN, which have not been paid out so far due to lender-imposed restrictions. Under the proposed debt structure being rated by CareEdge Ratings, these intercompany expenses may be paid, subject to maintenance of certain financial covenants. Adherence to these covenant requirements and actual cash outflow toward such intercompany expenses will be closely monitored and will remain key credit considerations for HEAL and GIIS LRN.

The rating is constrained by decline in student enrolments across most campuses, following acquisition of underlying schools, which adversely affected revenue growth in FY26 and moderated operating cash flow generation. However, measures undertaken by the group led to improved enrolments across all but one campus in the current academic year. The group's ability to sustain and further improve enrolment levels, as envisaged, will remain a key determinant of its future credit profile.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Net debt/ adjusted earnings before interest, taxation, depreciation, and amortisation (EBITDA)[2] improving below 3x aided by improvement in enrolments across schools.

Negative factors

- Net debt/ adjusted EBITDA deteriorating above 5x due to declining enrolments or higher cash outgo towards intercompany expenses.

Analytical approach: Combined

HEAL and GIIS LRN's combined performance has been analysed due to proposed co-borrower structure for the rated term loan, and common management and similar business operations of both entities in providing management and other services to trusts / societies operating schools. List of entities combined with GIIS LRN is mentioned as Annexure-6.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that the group will be able to stabilise operations across underlying schools, comprising of three Glendale-branded schools in Hyderabad at Suncity, Financial District, and Tellapur, and three Bengaluru based

[1] Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.
[2] Adjusted EBIDTA is calculated as reported EBIDTA plus unextracted RMF payments to group companies.

schools namely One World International School (OWIS) at Sarjapura Road and Whitefield, Global Indian International School, Gunjur, which is expected to support satisfactory cash flow generation by HEAL and GIIS LRN.

Detailed description of key rating drivers:

Key strengths

Part of GSG that has experience of operating schools globally

HEAL and GIIS LRN are part of GSG, which has a well-established track record in K–12 education. Since launching its first school in 2002 with just 48 students, GSG has expanded to a network of over 45,000 students across 11 countries. Silver Hill Global Limited (SHG), a wholly owned subsidiary of GSG and the holding entity for all group's operating subsidiaries, reported revenue of SG$328 million in CY25, compared to SG$321 million in CY24. SHG raised cumulative funding of SG$400 million by issuing perpetual redeemable preference share to Apollo to facilitate its organic and inorganic growth plans.

Steady adjusted EBIDTA levels

HEAL and GIIS LRN entered service-related agreements, which they are required to pay royalty and management fees (RMF) to their holding company, Global Indian School Education Services Private Limited (GISES). However, current lender-imposed restrictions on these RMF payments, resulting in unpaid amounts being accumulated on respective companies' balance sheets. Currently, the group is in the process of refinancing its existing debt, and raising a top-up facility, to repay these accumulated intercompany payables.

Under the proposed debt facility rated by CareEdge Ratings, the lender may permit regular RMF payments, subject to borrowers maintaining stipulated financial covenants. Accordingly, CareEdge Ratings has considered adjusted EBITDA, defined as reported EBITDA plus unpaid RMF payable to the holding company. On this basis, adjusted EBITDA remained stable in the range of ₹75–80 crore despite a decline in enrolments, supported by an increase in fee levels. Consequently, the adjusted interest coverage ratio (ICR), calculated as adjusted EBITDA divided by interest expense on bank debt, is satisfactory at above 2x. With expected improvement in enrolments and regular increases in the fee structure, adjusted EBITDA is projected to improve to ₹85–90 crore.

Elongation of loan tenor leading to improvement in DSCR

The company's existing debt has six years tenor, with a bullet repayment comprising 45.5% of the loan due at the end of the sixth year, creating refinancing risk. In contrast, the proposed debt has a longer tenor of 11 years, with lower repayments in initial years and no bullet repayment obligation. As a result, the company's cash flows are expected to be sufficient to service the proposed debt without refinancing risk. According to CareEdge Ratings' estimates, the combined DSCR for the proposed debt of ₹440 crore is expected to remain above 1.5x in the medium term.

Key weaknesses

Declining enrolments post-acquisition of schools by GSG but recovery witnessed in current academic year

Cumulative student enrolments across six underlying schools declined by 1.5% and 5.7% in FY25 and FY26, respectively, due to leadership change and re-branding exercise taken in certain schools. These challenges have been addressed by the management, which resulted in increase in enrolments in current academic for all-but-one school. The portfolio is expected to stabilise in FY27, with enrolment growth across these campuses envisaged from FY28 onwards.

Negative net worth base

On a combined basis, HEAL and GIIS LRN has a negative tangible net worth due to presence of intangible assets and net losses incurred over the years, primarily considering high intercompany expenses and finance costs. These losses have largely been funded through deferment of intercompany payables. As these expenses are expected to continue, net worth of both entities is likely to remain negative, resulting in an elevated capital structure. The group's support is reflected in infusion of external commercial borrowings and unsecured loans aggregating ₹144 crore on a combined basis as on March 31, 2026. These group-company loans are subordinated to bank debt under existing and proposed sanction terms.

Intense competition and regulatory risk

HEAL and GIIS LRN operate in competitive micro-markets in Hyderabad and Bengaluru, respectively, where they face competition from multiple educational institutions offering comparable curricula and fee propositions, which may constrain enrolment growth, pricing flexibility, and occupancy ramp-up. The education sector in India remains highly regulated, and adverse changes in central/state government policies governing fee structures, affiliations, land use, operating norms or not-for-profit school entities could impact operating flexibility and cash flow generation.

Liquidity: Adequate

HEAL and GIIS LRN's liquidity profile is assessed as adequate, underpinned by a structured cash-flow waterfall that restricts RMF upstreaming to the parent until debt servicing obligations are met, supporting a comfortable DSCR. HEAL and GIIS LRN reported cash and cash equivalents of ₹8.67 crore and ₹9.2 crore, respectively, as on March 31, 2026.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Service Sector Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial services and supplies	Diversified commercial services

HEAL was incorporated on February 20, 1992. It was taken over by GISES in FY23. HEAL entered service agreement with a Society- HEA, which operates three schools under Glendale brand in Hyderabad at Suncity, Financial District, and Tellapur.

GIIS LRN was incorporated on April 05, 2022, is a wholly owned subsidiary of GISES, the holding company for GSG, Singapore's India operations. GIIS LRN entered service agreement with couple of trusts/ societies to provide services to three schools in Bengaluru, including OWIS schools at Sarjapura Road, and Whitefield and Global Indian International school at Gunjur.

Brief Financials (₹ crore) – Combined	March 31, 2025 (UA)	March 31, 2026 (UA)
Total operating income	106.12	106.45
PBILDT*	47.20	34.21
Profit after tax (PAT)	-19.10	-31.19
Overall gearing (times)	NM	NM
Interest coverage (times)	1.05	0.84

A: Audited; NM: Not meaningful; UA: Unaudited; Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Brief Financials (₹ crore) – HEAL (Standalone)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	56.64	52.93
PBILDT*	28.91	27.92
Profit after tax (PAT)	8.35	6.25
Overall gearing (times)	NM	NM
Interest coverage (times)	1.45	1.58

A: Audited; NM: Not meaningful; 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	-	-	-	Proposed	185.00	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 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-Term Loan	LT	185.00	CARE BBB; Stable	-	-	-	-

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-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 Consolidated	Rationale for consolidation
1	GIIS LEARNING PRIVATE LIMITED	Full	Operational and financial linkages

Annexure-7: 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 various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[3]
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

[3]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.

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[3]
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 along with names of respective regulators.

^ 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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