GIIS LEARNING PRIVATE LIMITED

June 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	255.00	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 GIIS LEARNING PRIVATE LIMITED (GIIS LRN) and Hyderabad Educational Academy Private Limited (HEAL). Through their respective trusts / Society — One Universe Educational Trust (OUET), Goravigere Educational Society (GES) and Hyderabad Educational Academy (HEA) — GIIS LRN and HEAL collectively provide services across six schools operated under these trusts/ Societies.

The rating assigned to bank facilities of GIIS LRN 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. GIIS LRN and HEAL 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 the 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 GIIS LRN and HEAL, 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. Going forward, adherence to these covenant requirements and the actual cash outflow toward such intercompany expenses will be closely monitored and will remain key credit considerations for GIIS LRN and HEAL.

The rating is constrained by decline in student enrolments across most campuses, following the 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

Combined performance of GIIS LRN and HEAL has been analysed due to the 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

The Stable outlook reflects CareEdge Ratings' expectation that the group will be able to stabilise operations across the underlying schools—comprising One World International School (OWIS) at Sarjapura Road and Whitefield in Bengaluru, Global Indian

[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.

International School, Gunjur in Bengaluru, and three Glendale-branded schools in Hyderabad at Suncity, Financial District, and Tellapur, which is expected to support satisfactory cash flow generation by GIIS LRN and HEAL.

Detailed description of key rating drivers:

Key strengths

Part of GSG that has experience of operating schools globally

GIIS LRN and HEAL 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

GIIS LRN and HEAL entered service-related agreements under, which they are required to pay royalty and management fees (RMF) to their holding company, Global Indian School Education Services Private Limited (GISES). However, the current lender-imposed restrictions on these RMF payments, resulting in the unpaid amounts being accumulated on the respective companies' balance sheets. The group is currently 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 the 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. Going forward, 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 a tenor of six years, 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 the 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 combined basis, GIIS LRN and HEAL 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, the net worth of both entities is likely to remain negative, resulting in an elevated capital structure. The group's support is reflected in the infusion of external commercial borrowings and unsecured loans aggregating ₹144 crore on a combined basis as on March 31, 2026, including ₹129 crore in GIIS LRN on a standalone basis. These group-company loans are subordinated to bank debt under both the existing and proposed sanction terms.

Intense competition and regulatory risk

GIIS Learning and HEAL operate in competitive micro-markets in Bengaluru and Hyderabad, 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

GIIS LRN and HEAL'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. GIIS LRN and HEAL reported cash and cash equivalents of ₹9.2 crore and ₹8.67 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

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/ Society to provide services to three schools in Bengaluru including OWIS schools at Sarjapura Road and Whitefield and Global Indian International school at Gunjur.

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

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) – GIIS LRN (Standalone)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	49.47	53.52
PBILDT*	18.29	6.29
Profit after tax (PAT)	-27.45	-37.44
Overall gearing (times)	NM	NM
Interest coverage (times)	0.73	0.28

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	255.00	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	255.00	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	Hyderabad Educational Academy 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

[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]
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 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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