



Press Release
JAYAWANT SHIKSHAN PRASARAK MANDAL
May 09, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	145.00	ACUITE BBB- Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	145.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has upgraded its long-term rating to ‘**ACUITE BBB-**’ (read as **ACUITE Triple B minus**) from ‘**ACUITE BB+**’ (read as **ACUITE Double B plus**) on Rs.145.00 Cr. bank facilities of Jayawant Shikshan Prasarak Mandal (JSPM). The outlook is ‘**Stable**’.

Rationale for rating upgrade

The rating upgrade considers JSPM’s improved operating and financial performance. The rating continues to derive comfort from long standing experience of the trustees in the education sector, moderate financial risk profile and adequate liquidity position. However, the rating is constrained by the working capital-intensive nature of operations and stringent regulatory framework of the Indian education industry. Going ahead, the trust’s ability to increase its revenue along with maintaining its profitability margins will be a key rating monitorable.

About the Company

JSPM is a Pune-based trust established in 1998 and promoted by Prof. Tanaji Jaywant Sawant, Founder Secretary. The trust runs educational institutions that offer courses in engineering, management, and pharmacy among others.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of JSPM to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and experienced management

Jayawant Shikshan Prasarak Mandal (JSPM), a charitable educational trust based in Pune, was established in 1998 by Dr. Tanaji Jayawant Sawant. The directors include Mr. Pramod Vitkar, Mr. Ravi Joshi, Mr. Madhukar Takale, Mr. Kanhyala Barbole, Mr. Vasant Bugade, Mr. Sudhir Bhilare and Mr. Rahul Karale. JSPM operates 31 institutes and schools across its four campuses in Pune. The schools under the trust are affiliated with the CBSE board, while the

technical courses are affiliated with Savitribai Phule Pune University. The trust offers over 60 courses, spanning from pre-primary education to technical programs such as MBA, MCA, Engineering, and Pharmacy. Acuite believes, the established track record of the institutes and promoters experience would benefit the trust in positioning themselves in the industry well.

Revenue growth albeit moderation in profit margins

The trust recorded a revenue of Rs. 322.33 crore in FY25 (Prov.), compared to Rs. 310.35 crore in FY24 and Rs. 271.20 crore in FY23, reflecting a year-over-year increase of approximately 14.44 percent in FY24. This growth was attributed to higher fee receipts, increased student intake capacity, and the launch of the new JSPM University at the Wagholi campus. In FY24, the launch of JSPM University at the trust's Wagholi campus significantly contributed to revenue improvement however pressurised the margins to some extent. The total sanctioned seats increased to 40,658 in FY25 from 35,878 in FY24. As of March 31, 2025. The occupancy levels stood at 105 percent as of March 31, 2025 (Prov.). Additionally, the new courses started under the University model are likely to aid the company in improving its business risk profile. The operating margins stood at 26.72 percent in FY25 (Prov.) compared to 28.52 percent in FY24, while the PAT margins remained range-bound at 9.89 percent in FY25 (Prov.). Acuite believes, that the operating performance would improve steadily on account of launch of new university.

Moderate financial risk profile

The trust maintains a moderate financial risk profile characterized by high net worth, low gearing, and moderate debt protection metrics. As of March 31, 2025 (Prov.), JSPM's net worth increased to Rs. 398.50 crore, up from Rs. 366.62 crore as of March 31, 2024, due to profit retention. The company's gearing ratio stood at 0.43 times on March 31, 2025 (Prov.), compared to 0.48 times the previous year. The TOL/TNW ratio was 0.49 times as of March 31, 2025 (Prov.). The company's interest coverage ratio stood at 4.82 times in FY25 (Prov.), with a DSCR of 2.48 times for the same period. Acuite believes that the financial risk profile of the trust will continue to remain moderate over the medium to long term in the absence of major debt-funded capex.

Weaknesses

Working capital intensive operations

JSPM's operations remained working capital intensive, marked by GCA of 262 days in FY25 (Prov.), compared to 276 days in FY24. The student mix includes both open category and backward category students, with around 60 per cent being from the backward category. While fees from open category students are received at the time of admission, fees for backward category students are provided by the government. After the admission process in August, the grant proposal is sent in December, and the government grant is received by April-May, resulting in high debtor days. Also, the fees receivable from students are recorded as sundry debtors. Debtor days stood at 201 days for FY25 (Prov.), compared to 220 days in FY24. The average utilization of bank limits is moderate at around 85.84 percent, for the last six months ending March 2025. Acuite believes, the operations of the trust would remain working capital intensive on the back of nature of industry the trust operates in.

Dependence on scholarships; stringent regulatory framework

Most of the institute's admissions are based on government scholarships, leading to delays in revenue recognition. The institutes face intense competition from other private institutions offering similar courses. Given this competition, attracting the requisite number of students in line with its sanctioned intake is a challenge. The Indian education industry is highly regulated, and trust-operated institutes must adhere to this stringent regulatory framework. Any significant changes in the regulatory framework by the Government of India or policy changes by various affiliated boards will significantly impact the trust's revenue, financial, and operating performance.

Rating Sensitivities

- Sustained growth in scale of operations and profitability
- Elongation in working capital and any stretch in liquidity position
- Deterioration in the financial risk profile

Liquidity Position

Adequate

Liquidity is adequately supported by net cash accruals, which were Rs. 70.28 crore as of March 31, 2025 (Prov.). Looking ahead, net cash accruals are expected to range from Rs. 77 crore to Rs. 83 crore for FY2026-FY2027, while repayment obligations are projected to be around Rs. 21 crore to Rs. 23 crore during that time. The trust's unencumbered cash and bank balance stood at Rs. 44.95 crore as of March 31, 2025 (Prov.). The current ratio was 2.87 times in FY25 (Prov.). The average utilization of fund-based bank limits stood at ~85.84 per cent for the last six months ending March 31, 2025. Acuite believes that the trust's liquidity is likely to remain strong over the medium term due to healthy cash accruals against maturing debt repayment obligations for the same period.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	322.33	310.35
PAT	Rs. Cr.	31.88	30.62
PAT Margin	(%)	9.89	9.87
Total Debt/Tangible Net Worth	Times	0.43	0.48
PBDIT/Interest	Times	4.82	3.85

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Mar 2024	Term Loan	Long Term	44.34	ACUITE BB+ Stable (Upgraded from ACUITE B+ Stable)
	Dropline Overdraft	Long Term	13.00	ACUITE BB+ Stable (Upgraded from ACUITE B+ Stable)
	Proposed Long Term Bank Facility	Long Term	87.66	ACUITE BB+ Stable (Upgraded from ACUITE B+ Stable)
09 Dec 2022	Term Loan	Long Term	20.36	ACUITE B+ Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	67.00	ACUITE B+ Stable (Upgraded from ACUITE D)
	Dropline Overdraft	Long Term	13.00	ACUITE B+ Stable (Upgraded from ACUITE D)
	Proposed Long Term Bank Facility	Long Term	44.64	ACUITE B+ Stable (Upgraded from ACUITE C)
21 Feb 2022	Term Loan	Long Term	20.36	ACUITE C (Downgraded from ACUITE BBB Stable)
	Proposed Long Term Bank Facility	Long Term	44.64	ACUITE C (Downgraded from ACUITE BBB Stable)
	Term Loan	Long Term	67.00	ACUITE D (Downgraded from ACUITE BBB Stable)
	Dropline Overdraft	Long Term	13.00	ACUITE D (Downgraded from ACUITE BBB Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Yes Bank Ltd	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	96.35	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Yes Bank Ltd	Not avl. / Not appl.	Term Loan	01 Jul 2017	Not avl. / Not appl.	31 Jul 2029	35.65	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)

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About Acuité Ratings & Research

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