

MARCH 25, 2016

CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF JYOTI VIDYAPEETH TRUST

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Remarks
Long term Bank Facilities	32.99	CARE BBB- (Triple B Minus)	Reaffirmed
Total Facilities	32.99 (Rupees Thirty Two crore and Ninety Nine lakh only)		

Rating Rationale

The rating assigned to the bank facilities of Jyoti Vidhyapeeth Trust (JVT) continues to derive strength from the wide experience of the promoters in the education industry, its leading position in women education in Rajasthan with diversified revenue stream through various courses offered by JVT and healthy growth in revenue and margins.

The rating, however, continues to remain constrained on account of its leveraged capital structure, competition in the higher education sector and regular need to incur capex which is expected to be partly funded through debt.

JVT's ability to improve its capital structure along with increase in the scale of operations through increase in enrolment in the courses offered by university would remain the key rating sensitivity.

Background

Jaipur-based (Rajasthan) JVT was established in 2003 by Dr Panckaj Garg to set up educational institutions and impart quality education to women. JVT operates through Jayoti Vidyapeeth Women's University, which is India's first, women's private state university established and incorporated under the Act 17 of 2008 passed by Rajasthan State Legislature and notified by government of Rajasthan in 2008. It is empowered to award Certificates, Diplomas and Degrees as per norms of Statutory bodies, namely, University Grant Commission (UGC), All India Council for Technical Education (AICTE), Pharmacy Council of India (PCI), Council of Architecture (COA), Bar Council of India (BCI), Distance Education Council (DEC) and other similar bodies.

The university currently offers an array of educational courses ranging from graduation to doctorate programs in various fields (graduation and post-graduation courses in arts, commerce and science, professional courses in engineering, management, law, architecture & design and diploma courses in pharmaceuticals) at its campus situated nearby Jaipur. It also provides hostel facility to its students. The total number of regular students for AY16 (Academic Year July 01 to June 30) stood at 2,521 and has 5,867 students registered under distance learning programme. During FY15 (refers to the period April 01 to March 31), tuition fees from regular students and hostel fees constitute 49.49% and 42.47% of total operating income (TOI), respectively.

The university has been awarded ISO 9001:2008 and ISO 14001:2004, accredited by American University Accreditation Council (AUAC) and has received "Women Education and Livelihood (WEAL) Award – 2009" from Confederation of Indian Universities.

During FY15, JVT reported a total operating income of Rs.29.69 crore (FY14: Rs.29.36 crore) with a surplus of Rs.3.52 crore (FY14: Rs.3.21 crore). As per the provisional result for 9MFY16, JVT reported TOI of Rs.24.89 crore.

Analyst Contact

Name: Mr Abhishek Jain

Tel: 0141-4020213

Cell: + 91 9251265875

Email: abhishek.jain@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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CONTACT**Head Office Mumbai****Mr. Sanjay Kumar Agarwal**

Mobile: + 91 8108007676

E-mail: sanjay.agarwal@careratings.com

Mr. Amod Khanorkar

Mobile: + 91 9819084000

E-mail: amod.khanorkar@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD**Mr. Mehul Pandya**32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com

BENGALURU**Mr. Deepak Prajapati**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-9099028864

Tel: +91-80-4115 0445, 4165 4529

E-mail: deepak.prajapati@careratings.com**CHANDIGARH****Mr. Sajan Goyal**2nd Floor, S.C.O. 196-197, Sector 34-A,
Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com

CHENNAI**Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com

COIMBATORE**Mr. V Pradeep Kumar**T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com

HYDERABAD**Mr. Saikat Roy**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.

Cell : + 91 9820998779

Tel: +91-40-4010 2030

E-mail: saikat.roy@careratings.com

JAIPUR**Mr. Nikhil Soni**304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.

Cell: +91 - 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: nikhil.soni@careratings.com**KOLKATA****Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com

NEW DELHI**Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com

PUNE**Mr. Rahul Patni**9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.

Cell: +91-78754 33355

Tel: +91-20- 4000 9000

E-mail: rahul.patni@careratings.com

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