

Uttarakhand Uthan Samiti

December 31, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	20.07	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	7.18	CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. (CARE Ratings) has been seeking information from Uttarakhand Uthan Samiti to monitor the rating(s) vide e-mail communications dated December 02, 2024; December 04, 2024, and December 16, 2024, among others and numerous phone calls. However, despite our repeated requests, the society has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on Uttarakhand Uthan Samiti bank facilities will now be denoted as CARE BB+; Stable/ CARE A4+; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings are constrained on account of small though improving scale of operations and highly regulated educational sector in India. The ratings, however, draws comfort from improvement in scale of operations followed by improvement in profitability margins and capital structure. The rating further factors in experienced and qualified members of the society, diverse course offerings, comfortable enrolment ratio, well established infrastructure and comfortable debt coverage indicators.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on January 23, 2024, the following were the rating strengths and weaknesses. [Updated for audited financials for FY24 (refers to the period April 01st to March 31st) received from the society.]

Key weaknesses

Small though improving scale of operations

UUS scale of operations stood small though improving as evident from total operating income (TOI) of Rs.78.67 crore and gross cash accruals (GCA) of Rs.13.89 crore respectively, during FY24 as against Rs.64.68 crore and Rs. 14.24 crore respectively, during FY23. The increase in TOI is attributable to increase in enrolment of students in FY24 as against 2167 in FY23, providing for higher academic fees, thereby supporting growth in total operating income.

Highly regulated educational sector in India

Despite the increasing trend of privatisation of education sector in India, the sector continues to operate under stringent regulatory control requiring various statutory approvals with specific operational and infrastructure norms from controlling entities like UGC, AICTE etc. Thus, the society needs to regularly invest on its workforce and infrastructure as per the norms issued by regulators. Furthermore, due to its affiliation to universities, the revenue realization also depends upon the schedules prepared and changed by the university. This apart, tuition fee fixation for both government and management quota are also regulated by these Universities giving limited flexibility to the institutions. These factors have significant bearing on the revenues and surplus levels of the institutions and resultantly on the financial risk profile of society.

Key strengths

Experienced and qualified members of the society

Mr. Sanjay Bansal is the president of the society and has more than one and half decades of experience in running education institution through his association with UUS and Shri Krishan Institute of Engineering & Technology, Kurukshetra. He is managing ten institutes in state of Uttarakhand, Uttar Pradesh & Haryana. Apart from education industry, he has extensive experience in

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

automobile and infrastructure sector through his association with Bansal car scan centre and Drishti builders respectively. Mrs. Seema Bansal (Secretary) is a graduate and has an experience of more than a decade in association with this society along with her association with Shri Krishan Institute of Engineering & Technology, Kurukshetra. Further, they are assisted by Mr Aman Bansal (Member) and they also get support from other qualified members in the field of social work to carry out the day-to-day operations.

Moderate profitability margins

The society, though 'not-for-profit' in nature enjoys moderate profitability position with SBID (surplus before interest, and tax) margin of around 13.54% and net surplus margin of above 10.26% for FY24(Audited) as against 25.84% and 15.22% respectively for FY23(Audited). The net surplus for FY24 stood at Rs 8.08 crore against Rs 9.93 crore in FY23. The profitability margins are expected to improve gradually with significant infrastructure spending on a consistent basis.

Comfortable enrolment ratio

The student enrolment increased in absolute terms from 1811 students in FY22 to 2167 students in FY23. The enrolment ratio of the society stood comfortable however improved to 63.86% in FY23 from 57.78% in FY22. Foreseeing the industry trend these courses will attract more students. Some of these courses include MBA Business Analytics, MBA logistics, MBA Family Business, BBA Digital Marketing, Integrated course of English Hons and Journalism, Diploma in Food Production, BSc Nutrition, BA Public Policy, B. Sc Forensics etc. Further, the society also introduced popular courses such B.Sc Hons in Physics, B.Sc Hons in Chemistry, BA Hons Economics and increased intake capacity in courses like B.Tech computer Science Engineering, B. Tech Civil Engineering, B.Com Hons, B.Sc Nursing.

Well established infrastructure coupled with qualified teaching staff

The society has its two-campus based at Saharanpur, Uttar Pradesh and Dehradun, Uttarakhand. The campus environment and facilities are conducive to professional studies with ample facilities such as sports, state-of-the-arts laboratories, computer centres including conference halls, multimedia projectors, well stocked libraries etc. The campus is well equipped with seminar halls, laboratories, computer centers, canteen and hostels. The Institutes under UUS has around 262 teaching staff and 252 non-teaching staff with faculty having significant experience in the field of education for more than 2 decades.

Diverse course offerings

UUS offers various specialized courses in diverse domains. It provides undergraduate courses such as BBA, BCA, B.com (Hons), B.Sc, and B. Tech (Mechanical Engineering, Electronics & Communication's Engineering, Computer Science and Civil Engineering); postgraduate courses such as M tech, MBA, M.Sc, MA along with courses in polytechnic, Architecture, Hotel Management. Various fields being covered by the trust diversifies the revenue sources resulting in different stream of revenue generation along with less vulnerability to changes proposed in the course structure by UUS thereby reducing dependency on a particular course.

Comfortable capital structure and debt coverage indicators

As on March 31, 2024, the debt profile of the trust comprises of term loan of Rs. 9.12 crore and working capital borrowings of Rs. 12.97 crore as against networth of Rs.37.71 crore as on March 31, 2024. The capital structure of the trust stood comfortable as on the past three balance sheet dates ending March 31, '21- '24 on account of limited debt levels coupled with accretion of profits to reserves. The overall gearing ratio stood at 0.60x as on March 31, 2024, showing improvement from 0.81x as on March 31, 2023, on account of improvement in networth due to accretion of profits to reserves. Further, owing to moderate profitability margins and limited debt levels, the debt coverage indicators of the trust stood comfortable as marked by total debt to GCA stood at 1.62x for FY24.

Liquidity: Adequate

The liquidity position of the firm remained adequate characterized by sufficient cushion in accruals vis-à-vis repayment obligations. The trust has reported net cash accruals (NCA) to the extent of Rs.13.45 crore during FY23 and is expected to generate envisage NCA of Rs.15.00 crore for FY24 against repayment obligations of ~Rs.2.00 crore in same year. Further, the average utilization of working capital limits remained almost 80%-90% for the past 12 month's period ending December 2023.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[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

Uttarakhand Uthan Samiti (UUS) was registered as society in July 24, 2009 under Societies Registration Act, 1860 with an objective to provide education services by establishing and operating various educational institutions. The society operates two different campuses, one each in Uttar Pradesh and Uttarakhand for providing various professional courses in various fields. The undergraduate courses offered are B.B.A, B.C.A, B.SC., B.Com, B.Pharm, B.Tech in various fields such as Computer Science, Electronics and Communication, Mechanical Engineering and Civil Engineering. The post graduate courses offered by the institute are MBA, MCA, M. TECH, M.Ed, Diploma and Polytechnic courses. The institution is affiliated to CCIM(Central council for Indian Medicine), COA(Council of Architecture) and is approved by PCI (Pharmacy Council of India), INC(Indian Nursing Council), & NCHMCT(National Council for Hotel Management and Catering Technology).The day to day management of the society is carried by Mr. Sanjay Bansal (President) .He look after overall operations of the society. Mr. Aman Bansal (Member) look after academic affair of DEBI and financial matter of society is looked upon by Mr. Sunil Dandriyal (Member). The society has employed experienced teaching and administrative staff to run the courses in efficient manner. The society has hostel facility for all the courses and its campus is well equipped with modern classrooms, seminar halls, laboratories, library, computer centre, canteen, and hostel.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	65.23	78.76	-
PBILDT	16.85	10.66	-
PAT	9.93	8.08	-
Overall gearing (times)	0.81	0.60	-
Interest coverage (times)	6.45	0.00	-

A: Audited UA: Unaudited; Note: these are latest available financial results

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-Bank Overdraft		-	-	-	17.60	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2027	0.51	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	August 2024	1.96	CARE BB+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	7.18	CARE A4+; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Bank Overdraft	LT	-	-	-	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (14-May-21) 2)Withdrawn (14-May-21)
2	Fund-based - LT-Term Loan	LT	1.96	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (23-Jan-24)	1)CARE BB; Stable (30-Mar-23)	1)CARE BB; Stable (17-Mar-22)
3	Fund-based - LT-Bank Overdraft	LT	17.60	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (23-Jan-24)	1)CARE BB; Stable (30-Mar-23)	1)CARE BB; Stable (17-Mar-22)
4	Fund-based - LT-Term Loan	LT	0.51	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (23-Jan-24)	1)CARE BB; Stable (30-Mar-23)	1)CARE BB; Stable (17-Mar-22)
5	Non-fund-based - ST-Bank Guarantee	ST	7.18	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A4+ (23-Jan-24)	1)CARE A4 (30-Mar-23)	1)CARE A4 (17-Mar-22)

*Issuer did not cooperate; based on best available information.

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-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CARE 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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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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