

## O.P. Jindal Global University

March 21, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	50.00 (Reduced from 53.12)	CARE A+; Stable	Upgraded from CARE A; Stable
Short-term bank facilities	15.00	CARE A1+	Upgraded from CARE A1

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Revision in ratings assigned to bank facilities of O.P. Jindal Global University (OPJGU) factors in the strengthening of business risk profile of the university as reflected by consistent growth in its total income and surplus supported by increase in overall student strength due to healthy enrolment ratio in its existing courses and improving traction in its cohort-based programmes as well. Ratings continue to derive strength from the strong credit profile of Naveen Jindal group's flagship company, Jindal Steel & Power Limited (JSPL; rated CARE AA Stable/CARE A1+) and OPJGU's comfortable financial risk profile marked by strong liquidity, low gearing and comfortable debt coverage metrics with no significant capex plan envisaged of the cash flows in the near-to-medium term period. The ratings also factor the strength of its business model of selling hostel buildings resulting in significant inflow of funds and consistent receipt of donations from JSPL as a part of JSPL's CSR (Corporate Social Responsibility) program.

CARE Ratings Limited (CARE Ratings) believes that the university shall continue to benefit from its reputed brand value and established infrastructure, collaborations with global institutes of repute and recognition as 'Institute of Eminence' in sustained growth in student strength over the medium term, while leverage profile is also expected to remain comfortable in the absence of any large debt funded expansion plans in near-to-medium term. However, the ratings strengths are partially offset by intense competition from established and upcoming universities and the prevailing regulatory risks for educational sector in India.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Sustenance of healthy enrolment ratios across institutes and improvement in surplus before interest and depreciation (SBID) margin above 28% on a sustained basis.
- Increase in the student strength above 15,000 students (inclusive full-time courses only) culminating into substantial increase in the scale of operations.

#### Negative factors

- Significant decline in enrolments and total student strength resulting in decline in total income and surplus on a sustained basis.
- Higher than envisaged debt availed for capex resulting in total debt/SBILDT beyond unity.
- Deterioration in total student count/total seat available below 90% without proportional seat addition.

**Analytical approach:** Standalone after factoring in linkages with the O.P. Jindal Group

**Outlook:** Stable

The outlook on the long-term ratings of OPJGU continues to be 'Stable' as CARE Ratings Limited (CARE Ratings) anticipates that the overall credit risk profile of the university will benefit from higher accruals on absolute basis and continuation of the improved debt and coverage ratios.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

**Detailed description of key rating drivers:****Key strengths****Improved operating performance**

OPJGU reported an increase in its total income from ₹471.36 crore in FY23 (refers to April 01 to March 31) to ₹598.47 crore in FY24 and further to ₹674.83 in the first 9M FY25, on account of increased enrolments and student strength. The university's SBID also improved to ₹124.51 in FY24, from the earlier ₹118.90 crore in FY23, whereas net surplus was reported at ₹114.07 crore in FY24 (FY23: ₹105.52 crore).

SBID margins moderated to 20.80% during FY24 (23.02% in FY23) due to consistent addition of new colleges and courses, resulting in lower absorption of fixed cost. The university's scale of operations improved as reflected by significant increase in student strength from 8,781 students in AY23 (Refers to April 01 to March 31) to 9,792 students for AY24 and further to 10,328 (excluding 3,000 students accounting for non-residential programme in the current academic year 2024-2025 of the total intake capacity of 10,400 students).

**Comfortable financial risk profile**

The university's overall gearing improved to 0.03x as on March 31, 2024 (PY:0.08x) on account of increase in net worth and reduced total debt due to partial pre-payments of term loan. The university's interest coverage ratio has also showcased improvement to 19.91x for FY24 from 13.42x in FY23.

**Experienced and resourceful promoters and highly qualified members:**

The university is part of Naveen Jindal group, having considerable track record in steel and power business for more than three decades. The group's flagship company Jindal Steel & Power Limited (JSPL) is rated at CARE AA Stable/CARE A1+ (reaffirmed on January 13, 2025). JSPL has reported robust operating performance and sizable deleveraging over the years. OPJGU received donations and CSR of ₹88 crore in FY22, ₹186 crore in FY23, and ₹132 crore in FY24, respectively. Mr. Naveen Jindal, an industrialist, is responsible for the overall control and management and marketing functions, quality control activities, expansion, and diversification. The university's governing body comprises eminent persons including Mr. Naveen Jindal, professor (Dr.) C Raj Kumar, Ms. Yashasvini Jindal, Mr. Rajnish Kumar, Mr. Amir Singh Pasrich, Mr. Parimal Rai (IAS), Ms. Gauri Rasgotra, Honourable Justice Arjan K. Sikri, professor (Dr.) Dinesh Singh, professor Dabiru Sridhar Patnaik.

**Well-established infrastructure**

The colleges under OPJGU (all are located in the same campus) are equipped with latest infrastructure facilities, technology and learning resources. The campus facilities include wireless internet accessibility, sports, state-of-the-art laboratories, computer centres, latest software, medical and other recreation facilities etc. The campus is also equipped with rainwater harvesting chambers, rooftop solar plants, waste treatment plant and a green belt on the periphery of the campus. The teaching and research work are supported by online resources such as Westlaw International, Lexis Nexis, Hein Online, JSTOR, Manupatra and IndLaw which provide access to over 3,000 electronic journals, reports, and variety of other resources to OPJGU's library. The students to teaching staff ratio in the university stood close to 9:1 for year 2024-25 where faculty members include foreign nationals having vast experience in academics from noted foreign universities while over 50% faculties are alumni from top 200 global universities.

**Collaboration with global institutions of repute**

OPJGU has appointed faculty members from different parts of the world with outstanding academic qualifications and experience. There is over 1100+ faculty and staff members in the university. The international educational background and experience of its faculty members augurs well for its inter-disciplinary approach towards higher education. OPJGU has developed collaborations with 450+ international universities and higher educational institutions. Reputed universities such as Harvard University, Yale University, University of Michigan, Cornell University, New York University, King's College London, University of Cambridge, and many others are part of these collaborations. These collaborations provide for student exchange programs, immersion programs and dual degree programs.

**Recognition of the university as 'Institute of Eminence' by the Government of India**

The University Grants Commission (UGC) had issued the UGC (Institutions of Eminence Deemed to be Universities) Regulations, 2017 for every existing or proposed institution, not owned or controlled by the Government, seeking for the status of 'Institutions of Eminence'. OPJGU submitted its application on December 08, 2017. The Expert Committee approved by the chairman; EEC (Empowered Expert Committee) approved the readiness of OPJGU on September 09, 2020. The Ministry signed the MoU with OPJGU on October 29, 2020. This status increased the visibility of the university and provides it with greater autonomous powers.

## Key weaknesses

### Intense competition from established and upcoming universities

The education industry is intensely competitive and highly depends on the quality of faculty, infrastructure, and course curriculum. The growth in number of private universities providing higher education has been significant over the recent years. However, despite being dependent upon one campus in Sonapat, OPJGU has been able to penetrate and attract students from across the country amidst competition, due to its strong brand.

### Regulatory framework for educational sector in India

The higher education sector in India is placed in the concurrent list of the Constitution and thus comes under the purview of the central and state governments. The sector is regulated by the Ministry of Human Resources at the national level, by the education ministry of each state, and central bodies such as UGC and other professional councils such as All India Council for Technical Education (AICTE) etc. OPJGU was established in 2009 under the Haryana Private Universities (Second Amendment) Act, 2009.

### Liquidity: Strong

The university's liquidity position derives comfort from healthy cash accruals, low repayment obligations and significant amount of unutilised working capital limits. The university has minimal scheduled debt repayment of ~₹10. crore for FY25 onwards. The university receives fees from students in the month of July-August and December-January period. Further, The university has adequate free cash balance of ₹409 crore as on December 31, 2024. There is an ongoing capex in the university for building a sports complex, multi-floor dining hall, faculty office block and other amenities for ₹1000 crore which will be mostly funded by CSRs being made to the university, while expansion initiatives are only in proposal (no significant cash funded capex in near to medium term). While additional liquidity is likely to come in the form of sale of remaining hostel blocks.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[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

O.P. Jindal Global University (OPJGU), a non-profit university was established under the Haryana Private Universities (Second Amendment) Act, 2009. Mr. Naveen Jindal founded this university as a philanthropic contribution towards his late father, Mr. O.P. Jindal. The sponsoring body of the university is O.P. Jindal Gramin Jan Kalyan Sansthan (OPJGJKS). In FY21, the university received recognition from Ministry of Education and UGC as Institute of Eminence. OPJGU is a multi-disciplinary global university comprising 12 operational schools offering 50+ programmes including Jindal Global Law School (JGLS), Jindal Global Business School (JGBS), Jindal School of International Affairs (JSIA), Jindal School of Government and Public Policy (JSGP) and Jindal School of Liberal Arts and Humanities (JSLAH), Jindal School of Journalism and Communication (JSJC), Jindal School of Banking and Finance (JSBF), Jindal School of Art And Architecture (JSAA), Jindal School of Environment and Sustainability (JSES), Jindal School of Psychology and Counselling (JSPC), Jindal School of Public Health & Human development (JSPH) and Jindal School of Languages & Literature (JSLL).

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9M FY25 (UA)
Total operating income	471.36	598.47	674.83
SBILDT	108.50	124.51	293.56
SAT	105.52	114.07	255.12
Overall gearing (times)	0.08	0.03	-
Interest coverage (times)	13.42	19.91	-

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	31/01/2029	50.00	CARE A+; Stable
Fund-based - ST-Bank Overdraft		-	-	-	15.00	CARE A1+

#### 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-Term Loan	LT	50.00	CARE A+; Stable	-	1)CARE A; Stable (02-Jan-24)	1)CARE A; Stable (03-Oct-22)	1)CARE A-; Stable (07-Jul-21) 2)CARE A-; Stable (01-Apr-21)
2	Fund-based - ST-Bank Overdraft	ST	15.00	CARE A1+	-	1)CARE A1	1)CARE A1	1)CARE A2+

						(02-Jan-24)	(03-Oct-22)	(07-Jul-21)  2)CARE A2+ (01-Apr-21)
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LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated:** Not applicable

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - ST-Bank Overdraft	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.

## Contact us

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### About us:

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