

Jaypee Institute of Information Technology Society

March 19, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	38.73 (Reduced from 55.32)	CARE BBB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the rating assigned to the long-term bank facilities of Jaypee Institute of Information Technology Society (JIITS) continues to consider the established track record of operations of the society, healthy enrolment ratio and its comfortable financial risk profile characterized by healthy capital structure and debt service coverage indicators. However, the ratings are constrained on account of modest scale of operations of the society along with weak credit profile of Jaypee group, competition from established and upcoming educational institutes and regulatory risks in the education sector in India.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustainable improvement in scale of operations as marked by TOI (Total Operating Income) above Rs. 200 crores on sustained basis.
- Sustainable improvement in SBILDT (Surplus Before Interest, Lease, Depreciation and Tax) margin above 35%.

Negative factors

- Decline in student strength below 4,500 students adversely affecting the scale and surplus margin.
- Deterioration in capital structure leading to overall gearing above 0.75x.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects that the entity is likely to maintain healthy enrolment ratio culminating into stable revenues with adequate liquidity.

Detailed description of key rating drivers:

Key strengths

Established track record of operations of the society: JIITS was established in 2001 with an institute in Sector-62, Noida offering education in Engineering and Management programs. During 2004, it became deemed university under Section 3 of UGC Act 1965 (University Grants Commission Act). With an increase in quality of education and demand of JIITS offered courses, it has further expanded in 2009 with another institute in Sec-128, Noida offering education in Engineering. JIIT has established itself as a leading engineering college in National Capital Region. For the academic session AY24-25, JIITS had strength of 6,057 students in various Graduate, Postgraduate and Doctorial Programs.

High enrolment ratio and good placement track record: JIITS has sanctioned intake for the flagship B. Tech course of 1290 students (1,215 students admitted in AY25 and AY24). The society has also been sanctioned seats for a few courses including 90 seats for diploma courses. Due to its quality education and consistent placement track record, JIITS continues to have high enrolment (90.72% in AY25 as against 90% in AY24) and is able to increase the fee as well, without substantially impacting the number of enrolments.

Comfortable financial risk profile: The financial risk profile has continued to remain comfortable on account of low overall gearing, comfortable interest coverage, Total debt/Gross Cash Accruals (TD/GCA) and healthy liquidity. The overall gearing for JIITS remains comfortable at 0.19x as on March 31, 2024 (PY: 0.27x). The same is on account of decline in the total debt of the society and subsequent increase in the corpus funds. The society's interest coverage ratio stood healthy at 9.91x in FY24 (PY: 9.72x) improved mainly on account of improvement in the operating profit and TD/GCA stood at 0.87x as on March 31, 2024 (PY: 1.01x). Going forward, the capital structure is expected to remain comfortable.

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

Key weaknesses

Modest scale of operations of the society along with moderate profitability: The total operating income of the society has improved to Rs. 185.56 crores during FY24 (refers to April 01 to March 31) (PY: Rs. 160.59 crore) mainly on account of improvement in fee collection and development fees. The total revenue of the society primarily includes tuition fee of Rs. 110.22 crore in FY24 (PY: 90.58 crore). The tuition fees collected from the students has improved and the student strength has increased from 5,317 students in AY24 to 6057 students in AY25. However, the surplus margins of the society slightly moderated during the year as marked by SBILD and SAT margin of 26.76% and 22.34% respectively during FY24 (PY: 33.71% and 27.70%). The moderation is on account of increase in Education expenses, Research & Administrative expenses and Salary & Allowances (attributing to increase in strength of staff). The society reported revenue of Rs. 205.57 crore from tuition, hostel and development fees and Rs. 9.99 crore interest income during 9MFY25 (refers to April 01 to December 31).

Weak credit profile of Jaypee group and Jaiprakash Sewa Sansthan (JSS): JIITS is a part of Jaypee Group and was incorporated by JSS as a sponsor trust in the year 2001 and later declared as independent deemed university in the year 2004. During the initial year of JIITS, JSS supported the University in setting up the infrastructure. There has been deterioration in the financial risk profile of Jaypee Group due to weakened financial risk profile of Jaypee Associates Limited (JAL) and its key subsidiaries. Also, JIITS' sponsor trust JSS has substantial dependence on donations from Jaypee group. However, JIITS does not have direct financial dependence upon JSS or Jaypee group for operations and its debt servicing and has comfortable solvency and debt coverage ratios.

Competition from established and upcoming educational institutes: The growth in private schools and universities providing higher education has been significant over the recent years. The selection for engineering students at the national level is done through a common entrance test, Joint Entrance Examination (JEE) based on which seats are allocated to various engineering colleges comprising IITs, NITs, and State Engineering Colleges as well other participating institutions. Thus, JIITS faces competition to get quality students from top colleges in India. Also, in the management courses, standing of JIIT is relatively moderate, which has also impacted student enrolment in MBA course over the last few years.

Liquidity: Adequate

The liquidity of the society is adequate as marked by sufficient cash accruals as against lower repayment obligation of ~Rs 13 crore in FY25 against expected cash accruals of ~Rs. 65 crores in FY25. The society has already prepaid its instalment for Q1FY26 which is due for April 2025. Further, the society has sufficient cash and cash equivalents of Rs. 49.87 crore in as on March 31, 2024 (PY: Rs. 54.89 crore). Being in the education industry the society has negative operating cycle of -18 days in FY24 as against -11 days in FY23. The current ratio of the society remains comfortable at 1.98x as on March 31, 2024.

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](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Services	Other Consumer Services	Education

JIITS is a part of the Jaypee group with Jaiprakash Sewa Sansthan (JSS) as its sponsor Trust. JIITS provides engineering and management courses through its two institutes (Jaypee Institute of Information Technology; JIIT) located in sector 62 and sector 128 of Noida, Uttar Pradesh. In the two institutes under JIITS, the institutes have total student strength of 6,057 in academic year 2023 (PY: 5,317 students) in various undergraduate, post graduate and doctoral programs.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	160.59	185.56	205.57
PBILDT	54.14	49.67	NA
PAT	44.49	41.45	NA
Overall gearing (times)	0.27	0.19	NA
Interest coverage (times)	9.72	9.91	NA

A: Audited UA: Unaudited; NA: Not Available; 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-Term Loan	-	-	-	August 2028	38.73	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 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	38.73	CARE BBB-; Stable	-	1)CARE BBB-; Stable (18-Mar-24)	1)CARE BBB-; Stable (22-Mar-23)	1)CARE BBB-; Stable (11-Mar-22)

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 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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