Sahyog Jankalyan Samiti

September 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	169.18 (Reduced from 185.00)	CARE BBB+; Stable	Upgraded from CARE BBB; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade in the rating assigned to bank facilities of Sahyog Jankalyan Samiti (SJS) derive comfort from improving operational profile marked by increase in student strength supported by high student intake ratio and resultant growth in scale of operations with healthy profitability margins and adequate liquidity position. The rating also factors in the company's financial profile marked by comfortable capital structure and debt coverage indicators. The rating further derives strength from the experience of its promoters with qualified faculty members and established track record in education sector. However, the rating is constrained by limited geographical reach of the colleges operated by the society and susceptibility of its operations to regulatory changes in the education sector in India. Rating strengths are also partially offset by intense competition in the education industry and constant requirement to incur capex to upgrade and expand its infrastructure.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in total operating income (TOI) above ₹300 crore while maintaining healthy surplus before interest and depreciation (SBID) margin above 50%.
- Improvement in financial risk profile with total debt to SBID (TD/SBID) of less than 1.50x on a sustained basis.

Negative factors

- Decline in operating income below ₹150 crore with decrease in SBID margin below 40% on a sustained basis.
- Deterioration in the financial profile with overall gearing above 0.55x due to high reliance on external debt on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation that the society will maintain its market position and favourable demand scenario shall enable it to sustain healthy operating performance and capital structure over the medium-term.

Detailed description of key rating drivers:

Key strengths

Growing scale of operations with healthy profitability margins

The society's TOI has grown year-on-year (y-o-y) by ~23% and stood at ₹195 crore in FY25 (refers to April 01 to March 31). The growth in TOI was mainly considering increase in student base. Increase in boarding charges, bus facility charges and revenue from co-curricular activity also contributed to growth in TOI. Revenue from course fees contributes ~80%, while balance revenue is from hostel, co-curricular activity, mess and other miscellaneous activities. Further, SBID margin continue to remain healthy at ~47% in FY25. The society was able to sustain profitability considering controlled operational and administrative cost and increase in TOI. The society achieved TOI of ~₹54 crore with SBID margin of ~55% in Q1FY26 (refers to April 01 to June 30)
Expected increase in total sanctioned against actual student intake with more focus on the courses with growing demand, provides high revenue visibility and improving profitability due to fixed expenses.

Established track record of operations with diversified courses and high student intake ratio

Pranveer Singh Institute of Technology (PSIT) has been in operation since 2004 imparting professional education in technology, pharmacy, management and computer applications. PSIT through three colleges such as Pranveer Singh Institute of Technology (Engineering), Pranveer Singh Institute of Technology (Pharmacy) and PSIT College of Higher Education offers ~15 different UG and PG courses such B. Pharma, M. Pharma, BBA, MBA, BCA, MCA and different streams of B. Tech. and M. Tech. In academic

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

year (AY) 24-25, colleges' student intake ratio remained high at 100% with 11,109 students. Colleges under PSIT has a total of 455 faculty members making satisfactory student to faculty ratio of ~24:1. Average placement percentage of the colleges remained moderate ~80% over the last academic year, where some of the passed students under bachelor courses opt for master's degree and do not opt for placement offered.

Comfortable leverage ratios and debt coverage indicators

SJS's capital structure is characterised by healthy corpus base build over the years through accretion of surplus to corpus and moderate debt profile. The society's overall gearing stood comfortable at 0.51x as on March 31, 2025. The society's interest coverage ratio stood strong at 8.93x for FY25 (PY: 10.76x). The society's total debt to gross cash accruals (TD/GCA) stood comfortable at 1.91x as on March 31, 2025 (PY: 1.22x). The society availed additional term debt in FY25 to acquire land and construct building in the proximity of existing campus which resulted in slight moderation of the society's capital structure. The society would be incurring capex in FY26 and FY27 for expansion of its infrastructure and this would be partly funded using bank debt. The society's interest coverage ratio continues to remain healthy at 8.21x for Q1FY26.
The society's financial risk profile will depend on how efficiently the society manages the capex, and this will also be a key factor to monitor for rating.

Experienced promoters with qualified faculty members and administrative staff

The society's promoter, Pranveer Singh, has experience of over two decades in the education sector. The society's functionaries are supported by experienced and qualified faculty including Ph.D. holders and research scholars among others. Apart from the faculty members, the societies employed competent and well-qualified academic staff to manage the colleges' day-to-day operations.

Key weaknesses

Intense competition with limited geographical reach

Education sector is highly fragmented with the presence of many small and big players due to high growth opportunities and government's thrust on education for all. Therefore, the players in this industry are exposed to competition induced pressures on student enrolments and overall student strength. There are numerous engineering, management, and other post graduate colleges in and around Kanpur leading to intense competition.

Highly regulated education sector

"Education" being a subject in the concurrent list of India, it is the responsibility state and central governments. The standards and policies for higher and technical education in India are thus, laid down by the Ministry of Human resource development under central government. The sector is further regulated by federal agencies such as University Grants Commission (UGC), All India Council for Technical Education (AICTE) and other specialised bodies including National Medical Commission, and Pharmacy Council of India among others. Education industry thus faces regulatory challenges as institutions are bound by regulations pertaining to fee structure, number of seats and changes in curriculum laid down by the aforesaid authorities.

Liquidity: Adequate

Liquidity position of the society remains adequate as reflected by projected GCA of ~₹93 crore in FY26 against repayment obligation of ₹20 crore. The society has cash and bank balances (including FDR) of ₹7.10 crore and mutual fund investment of ₹104.15 crore as on March 31, 2025. Fund-based working capital limit utilisation remains low at ~27% for the last 12 months ended July 2025. Being operating in the education sector, the society's operating cycle remains negative. The society would be incurring capital expenditure of ~₹50 crore for the construction of college and hostel blocks in FY26. Execution of such capex while maintaining the adequate liquidate position would remain a key monitorable.

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

Sahyog Jankalyan Samiti is a society registered under The Societies Registration Act, 1860. It was established on September 22, 2001. It runs professional educational colleges in Kanpur, Uttar Pradesh. Pranveer Singh was the founder and secretary of the society and the promoter of PSIT. Society runs three colleges, PSIT (Engineering), PSIT (Pharmacy), which are affiliated by Dr. A P J Abdul Kalam Technical University (AKTU) and PSIT College of Higher Education, which is affiliated by Chhatrapati Shahu Ji Maharaj University (CSJMU). Both the institutions are situated in the same campus at Kanpur-Agra-Delhi National Highway (NH-19), Bhauti, Kanpur.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	Q1FY26 (UA)
Total operating income	159.07	195.01	54.41
SBID	75.54	91.04	30.05
Surplus	67.94	66.00	19.89
Overall gearing (times)	0.40	0.51	NA
Interest coverage (times)	10.76	8.93	8.21

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA:
• India Ratings has conducted the review based on best available information and has classified SJS as "Not cooperative" vide its press release date October 29, 2024, due to non-availability of requisite information to conduct the rating exercise.
• CRISIL has conducted the review based on best available information and has classified SJS as "Not cooperative" vide its press release dated February 13, 2025, due to non-availability of requisite information to conduct the rating exercise.
• Brickwork has conducted the review based on best available information and has classified SJS as "Not cooperative" vide its press release date February 28, 2025, due to non-availability of requisite information to conduct the rating exercise.

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	-	-	-	July-2035	161.68	CARE BBB+; Stable
Fund-based - LT-Working Capital Limits	-	-	-	-	7.50	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 2025-2026	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
1	Fund-based - LT-Working Capital Limits	LT	7.50	CARE BBB+; Stable	-	1)CARE BBB; Stable (23-Jul-24)	1)CARE BBB; Stable (19-Jul-23)	-
2	Fund-based - LT-Term Loan	LT	161.68	CARE BBB+; Stable	-	1)CARE BBB; Stable (23-Jul-24)	1)CARE BBB; Stable (19-Jul-23)	-

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
2	Fund-based - LT-Working Capital Limits	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge 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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