

Rajshree Educational Trust

October 10, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	300.00 (Enhanced from 47.00)	CARE BBB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in rating assigned to the bank facilities of Rajshree Educational Trust (RET) derives strength from the experience of the trustees, healthy surplus margins. Rating also takes into consideration comfortable financial risk profile of the trust driven by comfortable capital structure and debt coverage indicators. Rating also takes into cognizance 100% enrolment in MBBS programme and increase in the sanctioned intake for MBBS programme from 150 to 250. The strengths are, however, partially offset by modest scale of operations coupled with low enrolment for non-medical courses offered by the trust and projected capital expenditure which will partly be funded using debt. Rating also remains constrained by high competition in non-medical courses, regulatory challenges in the education sector.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in enrolment ratio leading to the total operating income above Rs. 200 crores with sustained improvement in SBID (Surplus before interest and depreciation) margin above 45%.
- Improvement in overall enrolment above 70%.

Negative factors

- Any significant decline in enrolment in MBBS program.
- Any significant deterioration in liquidity profile of trust.
- Significant increase in total debt resulting in deterioration in overall gearing above 1.10x.

Analytical approach: Standalone

Outlook: Stable

Outlook is stable on expectation of increasing population with increase in per capita income, increase in the sanctioned intake for MBBS programme and flexibility in curriculum.

Detailed description of key rating drivers:

Key strengths

Extensive experience of management

RET is managed by Rajendra Agarwal who is a postgraduate from Bareilly College and has an experience of more than a decade as a government civil contractor. He is well supported by Dr. Rajesh Agarwal who is a doctor and has been practicing in Bareilly for the last 34 years. Dr. Rajesh is mainly responsible for the technical support required for setting and running a hospital and medical facilities. The top management of the trust is also well supported by qualified and experienced professionals possessing extensive industry knowledge.

Improving operational performance

The trust has reported y-o-y growth in the total operating income (TOI) by ~15% during FY25 (refers to the period April 01 to March 31). The hospital receipts contribute to ~3% to the TOI of trust. During the academic year 2025, the trust reported 100% enrolment in its MBBS program. As a result, the trust had adequate liquidity marked by sufficient cushion of funds and lower reliance on external sources, which is reflected by minimal debt as on balance sheet dated March 31, 2025. However, SBID and surplus margin moderated in FY25 to 35.20% and 30.02% respectively (PY: 39.81% and 33.44%) due to increase in employee cost. During the year, the trust hired additional staff and super speciality staff. Going forward, the operational performance is

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

expected to improve in near to medium term given the increased intake capacity of MBBS seats and new college and hospital being set up.

Comfortable financial risk profile

The financial risk profile of the trust has been improving consistently owing to the accretion of surplus to the corpus fund. The overall gearing of the trust remains comfortable at 0.13x as on March 31, 2025 (PY: 0.05x). Total Debt/ GCA (TDGCA) remains comfortable at 0.68x as on March 31, 2025 (PY: 0.23x). However, the financial risk profile of the trust is expected to moderate during FY26 and FY27 owing to planned capex plans which will be funded through a mix of bank debt and internal accruals.

Key weaknesses

Project implementation and post implementation risk associate with debt funded capex

The trust is undertaking capital expenditure for the development of a new medical college and hospital named "Rajshree Hospital and Institute of Medical Sciences". The total estimated project cost is ₹375.32 crore, which will be financed through a proposed term loan of ₹245 crore, with the remaining ₹130.32 crore to be contributed from trustees' funds and internal accruals. The hospital is expected to become operational by December 2025, while the medical college is tentatively scheduled to commence operations in September 2027. The timely completion of the project without any cost overrun remains a key monitorable.

Regulatory challenges in the sector

The "education" being a subject in the concurrent list of India, is the responsibility of both the 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 the federal agencies viz. University Grants Commission (UGC), All India Council for Technical Education (AICTE) and various other specialized bodies like National Medical Commission, Pharmacy Council of India etc. The education industry thus faces regulatory challenges as the institutions are bound by the regulations pertaining to fee structure, number of seats and changes in curriculum laid down by the aforesaid authorities.

High competition

The education sector is highly fragmented with the presence of large number of 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. RET faces high competition from the other educational institutes located in the vicinity. However, it has been able to sustain healthy enrolment ratio for the various courses the trust offers.

Liquidity: Adequate

The liquidity position of the trust derives strength from a significant amount of free cash and bank balance of Rs. 28.14 crore. Apart from the trust has FDR investments amounting to Rs. 61.74 crore as on March 31, 2025. The trust has investments of Rs. 3.38 crores which include mutual funds of Rs. 1.38 crores and bonds of Rs. 2.00 crores as on March 31, 2025. Further, the company does not utilize the fund-based working capital limits. The current ratio remains comfortable at 2.09x as on March 31, 2025. However, the trust has capex plans that will be financed through a mix of bank debt and internal accruals. The substantial cash and liquid investments with the trust will support the capex.

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 trust and industry

Industry classification

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

Rajshree Educational Trust was formed in September 2008 in Bareilly, Uttar Pradesh, and it operates under the banner of 'Rajshree Group of Institutions'. The trust administers 12 colleges under which different disciplines are running such as Engineering, Management, Law and Medical etc. In all, the trust is offering 13 different courses with total student strength of 5632 students for AY24. Initially, the trust started with technical courses under Rajshree Institute of Management & Technology. Furthermore, the trust is engaged in the operation of 1200 bedded hospital located within the campus of the university

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	4MFY26 (UA)
Total operating income	165.80	191.01	101.85
PBILD	66.00	67.23	NA
PAT	55.44	57.34	NA
Overall gearing (times)	0.05	0.13	NA
Interest coverage (times)	49.07	36.16	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-Bank Overdraft	-	-	-	-	35.00	CARE BBB+; Stable
Fund-based - LT-Term Loan	-	-	-	December 2028	245.00	CARE BBB+; Stable
Non-fund-based - LT-Bank Guarantee	-	-	-	-	20.00	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-Term Loan	LT	245.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (06-Aug-24)	1)CARE BBB+; Stable (04-Jul-23)	1)CARE BBB+; Stable (06-Jul-22)
2	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)Withdrawn (06-Jul-22)
3	Fund-based - LT-Bank Overdraft	LT	35.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (06-Aug-24)	1)CARE BBB+; Stable (04-Jul-23)	-
4	Non-fund-based - LT-Bank Guarantee	LT	20.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (06-Aug-24)	1)CARE BBB+; Stable (04-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-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT-Bank Guarantee	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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