

June 03, 2025

JIS University: [ICRA]BBB+ (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Term loan – Fund-based	105.00	[ICRA]BBB+ (Stable); Assigned
Long-term – Overdraft – Fund-based	20.00	[ICRA]BBB+ (Stable); Assigned
Total	125.00	

*Instrument details are provided in Annexure I

Rationale

For arriving at the rating, ICRA has taken a consolidated view based on the combined business and financial risk profiles of four entities including JIS University (JISU) as per Annexure II together referred to as the JIS Group (JIS/Group) as these entities have common promoter/management, with strong operational and financial linkages, and most of these are in similar lines of business.

The assigned rating factors in the Group's established track record of over two decades in the higher education sector with a number of operational institutes located in West Bengal. The rating derives strength from the Group's conservative capital structure, coupled with healthy margins and comfortable debt coverage metrics, which are likely to sustain in the near to medium term. Additionally, the diversified operational and revenue mix as reflected by a number of courses across the Group's institutes supports the business risk profile. ICRA notes that the Group's operating income in the near to medium term will be supported by steady growth in admissions across courses, commencement of medical college under JISU, which offers long-duration medical course and fee revision in the last academic year leading to healthy surpluses and favourable cash flow from operations.

The rating, however, is constrained by the Group's moderate scale of operations, despite some traction in the recent years. The Group has extended large advances to several third parties, which forms a notable part of the net worth base constraining the expansion of return indicators. The advances have been made towards educational institutes in other groups, wherein timely recovery of the same remains critical from a credit perspective. The rating also factors in the Group's exposure to regulatory risk, geographical concentration risk, as well as intense competition from other educational institutes. The Group's footprints are limited to West Bengal and therefore face intense competition from other Government, private and deemed universities competing for both the quality of students and faculty alike. The University will have to continuously enhance its teaching infrastructure to attract the best quality students and retain its faculty. ICRA notes that the higher education sector in India is highly regulated, which exposes the Group to significant regulatory risks associated with stringent compliance requirements.

The Stable outlook on the long-term rating reflects ICRA's expectations that the Group will benefit from the healthy operating metrics in its key institutes, coupled with comfortable liquidity position and credit metrics on the back of surplus cash flow generation from operations.

Key rating drivers and their description

Credit strengths

Established track record of operations – JIS Group, through its trusts and educational institutes are based out of Kolkata (West Bengal), and has been present in the higher education sector, for more than two decades, and has established its brand presence in the eastern region of India. This is reflected in the consistent average occupancy of over 85% and the large student strength of ~19,805 students in AY2025.

Diversified courses and revenue streams – Across the Group, the institutions are fairly diversified offering undergraduate, post-graduate, PhD and diploma courses in the fields of engineering, technology, computer science, management studies, science, pharmacy and law amongst others. Also, in FY2024, the Group commenced its medical college under JISU, named JIS School of Medical Science & Research at Santragachi, West Bengal offering MBBS programme, which is expected to generate incremental revenues over the next three years.

Comfortable debt protection metrics along with adequate liquidity – The Group maintains a satisfactory capital structure, which coupled with healthy surplus generation continues to aid liquidity, facilitating a build-up of sizeable cash and liquid investments, despite capital expenditure undertaken by the university towards medical college and regular infrastructure development. The Group's financial profile is likely to sustain, supported by a steady increase in scale with incremental revenue from the medical college, healthy margins together with adequate liquidity. The debt protection metrics are comfortable with interest coverage and TOL/TNW of 12.7 times and 0.6 times, respectively, for FY2024 and is expected to remain comfortable in the near to medium term.

Credit challenges

Moderate scale of operations and sizeable advances extended to related/external parties – The Group's scale of operations is moderate with an operating income of ~Rs.275 crore in FY2024, which is estimated to have grown by 15-20% in FY2025. Other than moderate scale of operations at an absolute level, significant advances have been extended to third parties, which forms a notable part of its net worth. Given no returns are generated from the same, the return indicators remain subdued at sub 10% levels over last three years ending FY2024. Timely recovery of these advances remains critical from the credit perspective, and the movement of the same will remain a key rating monitorable.

Geographical concentration and intense competition from other educational institutes – The Group's footprints are limited to Kolkata, West Bengal and therefore it faces intense competition from other Government and private institutes in and outside the city, competing for both the quality of students and faculty alike. The Group will have to continuously enhance its teaching infrastructure to attract the best quality students and retain its faculty. Any increase in seats by the Government by expansion in capacity of Central and state government colleges could further intensify the competition.

Exposed to regulatory risks – JIS Group, like other entities in the higher education segment, is exposed to regulatory risks owing to the regulated nature of the education sector in India. Any adverse regulatory changes related to various approvals could impact its student enrolment capability.

Liquidity position: Adequate

The Group's liquidity position is adequate with expected cash accruals of more than Rs. 100 crore in FY2025 and FY2026 and large free balances maintained by the Group (Rs. 137.5 crore as on March 31, 2025). It has debt repayment of ~Rs. 16.5 crore p.a. over the next few years, which is expected to be adequately covered by the cash accruals.

Rating sensitivities

Positive factors – The rating could be upgraded if there is a significant increase in revenues, while maintaining healthy profitability leading to an improvement in debt protection metrics and liquidity on a sustained basis. A material reduction in advances extended to related parties would be a key credit positive.

Negative factors – The rating may be downgraded in case of a substantial decline in revenues and profitability owing to reduction in occupancy levels across courses, impacting the overall student strength, leading to a deterioration in debt protection metrics on a sustained basis. Any unfavourable regulatory development or a sizeable debt-funded capex or large advances to related parties, which adversely affects its liquidity could result in a rating downgrade. Specific credit metrics that could lead to a downgrade would be DSCR below 1.8 times on a consistent basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Higher Education
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has taken a consolidated view of four entities of the JIS Group, as all the entities have common promoters/management, with strong operational and financial linkages, as most of these are in similar lines of business. The details of consolidation are there in Annexure II.

About the company

JIS University (JISU) is a part of the Kolkata-based JIS Group owned and promoted by Mr. Taranjit Singh and his family. JISU was established as a self-financed university through the legislative act of the Government of West Bengal, viz. JIS University Act, 2014 (West Bengal Act XXII of 2014) that came into force in February 2015. The university commenced operations in 2015. The university is sponsored by Narula Education Trust (NET), which is a part of the Group. JISU offers undergraduate, post-graduate, PhD and diploma courses in the fields of medical, computer science, management studies, science, pharmacy, law, engineering and technology, among others. Mr. Taranjit Singh serves as the Chancellor and Chairman, while Prof. Dr. Bhaskar Gupta serves as the Vice Chancellor of the university.

About the Group

The Group operates three principal trusts namely JIS Foundation (JISF), Narula Educational Trust (NET) and Guru Nanak Educational Trust (GET) in West Bengal and each of these trusts encompass several educational institutions within the Group. Across the Group, the educational institutions offer undergraduate, post-graduate, PhD and diploma courses in numerous fields like engineering, technology, medical, computer science, management studies, science, pharmacy, law, etc, as well as operate various skill development centres.

Key financial indicators (audited)

Company name	JIS Group (consolidated)		JISU (standalone)	
	FY2023	FY2024	FY2023	FY2024
Operating income	214.0	274.8	44.7	74.2
PAT	44.0	46.7	5.5	-8.4
OPBDIT/OI	31.8%	32.8%	41.3%	33.5%
PAT/OI	20.5%	17.0%	12.4%	-11.4%
Total outside liabilities/Tangible net worth (times)	0.6	0.6	1.5	1.8
Total debt/OPBDIT (times)	2.1	1.8	6.4	5.7
Interest coverage (times)	8.1	12.7	2.8	6.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	June 03, 2025	Date	Rating	Date	Rating	Date	Rating
Long-term-Overdraft-Fund-based	Long Term	20.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-
Long-term-Term loan-Fund-based	Long Term	105.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term - Term loan – Fund-based	Simple
Long-term - Overdraft - Fund-based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	January 2024	NA	February 2034	105.00	[ICRA]BBB+ (Stable)
NA	Overdraft limit	NA	NA	NA	20.00	[ICRA]BBB+ (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Entity Name	Ownership	Consolidation Approach
JIS University	JIS Group	Full Consolidation
JIS Foundation	JIS Group	Full Consolidation
Narula Education Trust	JIS Group	Full Consolidation
Guru Nanak Educational Trust	JIS Group	Full Consolidation

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Suprio Banerjee
+91 22 6114 3443
supriob@icraindia.com

Manish Pathak
+91 0124 4545 397
manishp@icraindia.com

Sahil Sardana
+91 0124 4545 855
sahil.sardana@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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