



## Jai Prakash Educational Society

### Rating History

Instrument	Amount	Amount Outstanding	Rating	Previous Rating
	In Crore	In Crore	As on May, 2011	
Fund-Based Limits- Term loans	20.22	N.A	LB+	-
Fund-Based Limits- Cash Credit	14.60	N.A	LB+	-
Fund Based Limits- Unallocated	0.18	N.A	LB+	-

ICRA has assigned a long term rating of 'LB+' (pronounced L B plus) to the Rs. 20.22 crore<sup>1</sup> term loans and Rs. 14.78 crore fund based limits of Jai Prakash Educational Trust Society (JPETS) <sup>†</sup>.

The assigned rating is constrained by the society's modest scale of operations, its limited reach on account of only two campuses, low occupancy levels in courses like MBA and Hotel Management its leveraged capital structure and its over utilized bank limits. The rating also takes into account increasing competition in the private education sector in India and highly regulated nature of the Indian education industry. The rating, however, draws comfort from presence of the society in diverse set of professional courses, experienced faculty profile and satisfactory reputation and occupancy levels enjoyed by its two senior secondary schools J.P. Academy and J.P. International Academy that are its main revenue drivers. The rating also takes into account the steady growth in society's operating income, its healthy profitability and experienced and highly qualified promoters. Going forward, the rating would remain sensitive to the ability of the society to manage the costs and successfully establish the infrastructure required to position itself as a centre of educational excellence and meet competitive pressures. Though the revenues of the trust are expected to increase with the addition of more batches in certain courses like MCA and Diploma in Engineering, however, future growth would be dependent on the trusts' ability to increase occupancy levels for courses like MBA, Hotel Management and B. Tech. Though, ICRA expects the gearing of the society to decline in the medium term because of adequate internal accruals and scheduled repayment of debt, however, any debt funded capex plans to meet infrastructure requirements can push up the funding requirements.

### About the Company:

Incorporated in 1993, Jai Prakash Educational Trust Society (JETS) is a registered society which is presently running about four institutes/ colleges offering diverse range of courses at the undergraduate as well as post graduate level offering degrees in B.Tech, BHMCT (Bachelors in Hotel Management & Catering Technology), B.Ed., BBA, BCA, M.Ed., MBA, MCA and diploma courses like DHMCT (Diploma in Hotel Management & Catering Technology), Diploma in engineering and Diploma in Modern Office Management & Secretarial Practices (DMOM). JETS is also running two co-educational senior secondary schools namely, J.P. Academy and J.P. International Academy and a junior secondary co-educational school named J.P. Academy Colts (conducting classes from Pre-nursery to V).

### Recent Results:

As per the audited results, JETS reported a net profit of Rs. 3.27 crore on an operating income of Rs. 20.75 crore for the year ended March 31, 2010 and a net profit of Rs. 0.81 crore on an operating income of Rs. 15.92 crore for the year ended March 31, 2009.

**May 2011**

<sup>1</sup>100 lakh = 1 crore = 10 million

<sup>†</sup>For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications



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