



Press Release

Seth Roshan Lal Jain Trust

March 12, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	30.32	IVR BB+; Stable (IVR Double B Plus with Stable Outlook)	IVR BB; Stable (IVR Double B with Stable Outlook)	Rating Upgraded	Simple
Long Term Bank Facilities- GECL	-	-	IVR BB; Stable (IVR Double B with Stable Outlook)	Rating Withdrawn	-
Total	30.32 (INR Thirty Crore and Thirty-Two Lakh Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The upgrade of the rating assigned to the bank facilities of Seth Roshan Lal Jain Trust (SRLJT) is driven by improvement in business performance of the trust in FY24 (FY refers to the period from April 1 to March 31) and subsequently in 9MFY25 marked by improvement in total operating income and profitability. The rating continues to derive comfort from its experienced management and established track record of the entity in successfully running educational institutions for over two decades in imparting education, moderate capital structure with satisfactory debt protection parameters and positive demand outlook for education in India marked by significant demand for higher education. However, these rating strengths remain constrained by modest scale of its operations with moderate enrolment ratio and capital-intensive nature of its operation, susceptibility to regulatory risks coupled with intense competition and geographical concentration risk.

The rating assigned to GECL facility is withdrawn based on request for withdrawal of rating received from the entity along with No due certificate issued by the lender. The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.



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Key Rating Sensitivities:

Upward Factors

- Improvement in scale of operations resulting from better percentage of intake of students leading to improvement in gross cash accruals.
- Sustained capital structure with further improvement in debt protection metrics with rise in interest coverage to above 5x

Downward Factors

- Decline in scale of operations and/or moderation profitability impacting the debt protection metrics leading to moderation in interest coverage ratio to below 2x
- Deterioration in the capital structure with deterioration in overall gearing to over 1.5x
- Moderation in liquidity position

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced management**

Mr. Jinesh Chand Jain, the Chairman of COER University is at the helm of the operations of Seth Roshan Lal Jain Trust. He is well supported by a team of experienced professionals.

- **Established track record of the entity of successfully running educational institutions for over two decades in imparting education**

Seth Roshan Lal Jain Trust was established in the year 1998 as an Educational Trust. The trust started its operation with COER college (also known as College of Engineering, Roorkee) approved by All India Council of Technical Education (AICTE) built across campus area spread across 75 Acres of Land on Delhi-National Highway. However, this unit is going to be closed in FY26 after the existing students complete their courses. The trust also has a university named COER University [formerly known as University of Engineering and Technology Roorkee (UETR)] affiliated to Uttarakhand Technical University (UTU). This apart, the trust also had a medical division (consisting COER Medical College of Ayurveda & Hospital, COER College of Nursing and Paramedical Sciences and COER College of Paramedical Sciences, Roorkee with a common hospital known as COER Hospital) affiliated to Uttarakhand Ayurved University. The courses of COER College of Nursing and Paramedical Sciences and COER College of Paramedical Sciences, Roorkee are merged with COER University in FY25 and COER Medical College of Ayurveda & Hospital continues to remain as



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a separate unit. All the institutions are facilitated by excellent infrastructure with modern classrooms with upgraded teaching tools and experienced faculties. The university and the hospital currently offer Diploma, Graduation and Post Graduation courses of Engineering and Management and Bachelor of Ayurvedic Medicine & Surgery (BAMS).

- **Improved business performance in FY24 and in 9MFY25**

The trust has witnessed a steady growth in its scale of operation over the past couple of years. In FY24, the scale has grown further as the Total Operating Income (TOI) has improved and stood at Rs.67.90 crore from Rs.50.39 crore in FY23 registering a y-o-y growth of ~35% mainly driven by better intake and enrolment in high value courses in COER university and medical division. Backed by the steady improvement in topline, the absolute EBITDA has improved to Rs.17.36 crore in FY24 from Rs.10.80 crore of FY23. The EBITDA margin and PAT margin has improved and stood satisfactory at 25.56% and 13.57% respectively in FY24. Further, gross cash accruals have also improved to Rs. 13.88 crore in FY24 against Rs.6.59 crore of FY23. In 9MFY25, the trust has managed to generate a revenue of Rs. 61.50 crore on account of better intake and enrolment in high value courses in COER university and in medical division. Further, the newly introduced courses have also contributed to the increase in revenue to some extent.

- **Moderate capital structure with satisfactory debt protection matrices**

The capital structure of the entity has remained moderate over the past three account closing dates with its moderate net worth base at Rs. 61.94 crore as on March 31, 2024. The long-term debt equity and the overall gearing ratio has improved to 0.19x and 0.59x respectively as on March 31, 2024 from 0.22x and 0.68x respectively as on March 31, 2023. In tune with this, the TOL/TNW has improved and stood at 0.81x as on March 31, 2024 from 0.89x as on March 31, 2023. The debt protection metrics marked by interest coverage has improved in FY24 and remained satisfactory at 4.45x as against 2.57x in FY23 supported by higher absolute EBITDA and slight decrease in finance cost. Total debt to EBITDA and Total Debt to GCA also improved and stood at 2.10x and 2.63 years respectively as on March 31, 2024.

- **Positive demand outlook for education in India marked by significant demand for higher education**

The long-term demand outlook of the education industry remains favourable on the back of a significant demand-supply gap in the higher education space augurs well for the group.



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Further, demand for higher education is likely to improve in India on the back of rising awareness, increasing population and better affordability.

Key Rating Weaknesses

- **Modest scale of operations**

The trust is operational since 1998. However, its scale of operation had remained moderate and hovered ~Rs.28-37 crore over the past few years. Although the revenue has marginally increased to Rs.50.39 crore in FY23 and further increased to Rs. 67.90 crore in FY24 on the back of better intake and enrolment in high value courses in COER university and in medical division, the scale of operation continues to remain modest. Modest scale of operations restricts financial flexibility to an extent.

- **Moderate enrolment ratio**

The enrolment ratio of the COER college (also known as College of Engineering, Roorkee) had remained low historically. This unit is going to be closed in FY26 after the existing students complete their courses. No new admissions are taken in this unit. The receipt of course fees from the existing students is currently the only revenue of this college. In FY24, the enrolment ratio in COER University has remained at par with that of FY23. However, many new courses are introduced in the university where the actual intake is low. However, management believes that with more advertisement, the percentage of actual intake will increase, fetching higher revenue. The enrolment ratio has improved from 72% in FY23 to 83% in FY24 in the medical division.

- **Susceptibility to regulatory risks**

The education sector is highly regulated and compliance with specific operational and infrastructure norms set by regulatory bodies are important. Any regulatory changes that impact the flexibility of the trust to fix fees for the management quota seats may adversely impact the revenue profile and cash accruals.

- **Capital intensive nature of operation**

The education sector needs regular investment in the workforce and infrastructure to upgrade its facilities and to conduct the operations efficiently. The average working capital utilization had remained ~75%-80% for past 12 months.

- **Exposure to intense competition and geographical concentration risk**

The entity faces intense competition from other colleges in attracting students and faculties. Further, it is also exposed to high geographical concentration risk due to presence of its



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institutes only in Roorkee, Uttarakhand. However, this risk is partly mitigated by the experience and resourceful promoter, as it has been operating since 1998.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for service sector companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on withdrawal of ratings](#)

Liquidity – Adequate

SRLJT has earned a gross cash accrual of Rs.13.88 crore in FY24 which is sufficient to meet its debt repayment obligation. Further, on the back of its satisfactory capital structure, driven by expected improvement in the intake in COER University and in the medical division, in the projected period, the GCA position of the entity is expected to improve and remain satisfactory to meet its debt repayment obligation. However, the average fund based working capital limit utilisation for the last 12 months remained ~75%-80% suggesting moderate liquidity buffer.

About the Entity

Seth Roshan Lal Jain Trust was established in the year 1998 as an Educational Trust. The total campus area is spread in 75 Acres of Land on Delhi-National Highway. Trust has a college operational in the name of College of Engineering Roorkee (also known as COER College). The Institute has an affiliation with Uttarakhand Technical University (UTU) and approved by All India Council of Technical Education (AICTE). This apart, the trust also has COER University and COER Medical College of Ayurveda & Hospital.

Financials (Standalone):

	(Rs. crore)	
For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	50.39	67.90
EBITDA	10.80	17.36
PAT	3.70	9.27



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Total Debt	35.71	36.50
Tangible Net Worth	52.66	61.94
EBITDA Margin (%)	21.44	25.56
PAT Margin (%)	7.33	13.57
Overall Gearing Ratio (x)	0.68	0.59
Interest Coverage (x)	2.57	4.45

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA:

ICRA has maintained the rating of SRLJT in the Issuer Not Cooperating category as the entity had remained non-cooperative despite multiple requests by ICRA as per Press Release dated June 28, 2024.

Brickwork Ratings has maintained the rating of SRLJT in the Issuer Not Cooperating category as the entity did not provide the minimum required information for a review or NDS despite best efforts of BWR as per Press Release dated May 14, 2024.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					May 13, 2024	Mar 13, 2023	-
1.	Overdraft	LT	25.00	IVR BB+/Stable	IVR BB/ Stable	IVR BB-/ Stable	-
2.	ODIP	LT	2.98	IVR BB+/Stable^	IVR BB/ Stable	IVR BB-/ Stable	-
3.	GECL	LT	2.34^	IVR BB+/Stable	IVR BB/ Stable	-	-
4.	GECL	LT	-	- Rating Withdrawn*	IVR BB/ Stable	-	-

^O/s as on January 31, 2025

*GECL of Rs.1.11 crore rated earlier is withdrawn based on No Due Certificate issued by the lender, received from the client along with a request for withdrawal of the rating

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About Infomerics:

Infomerics Valuation and Rating Limited [Formerly Infomerics Valuation and Rating Private Limited] (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Overdraft	-	-	-	-	25.00	IVR BB+/ Stable
ODIP	-	-	-	Jun 2029	2.98	IVR BB+/ Stable
GECL	-	-	-	Nov 2026	2.34	IVR BB+/ Stable



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Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-SRLJT-mar25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

