



## Press Release

**Silver Oak Shops & Offices Co. Op. Housing Society Limited**

**May 13, 2025**

### Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	<a href="#">Complexity Indicator</a>
Long-Term Bank Facilities- Term Loans	217.39	IVR BBB/Positive	-	Assigned	Simple
Long-Term Bank Facilities- OD	13.00	IVR BBB/Positive	-	Assigned	Simple
Short-term- Bank Guarantee	5.61	IVR A3+	-	Assigned	Simple
Long Term Bank facilities- Term Loans	- (Earlier rated 96.12 cr)	-	IVR BBB/Stable	Withdrawn	Simple
Long Term Bank Facility – Overdraft	- (Earlier rated 5.50 cr)	-	IVR BBB/Stable	Withdrawn	Simple
Long Term Bank Facility – Bank Guarantee	- (Earlier rated 6.00 cr)	-	IVR BBB/Stable	Withdrawn	Simple
<b>Total</b>	<b>236.00</b>	<b>(Rupees Two Thirty-Six crore only)</b>			

**Details of Facilities/Instruments are in Annexure 1.**

**Facility wise lender details are at Annexure 2.**

**Detailed explanation of covenants is at Annexure 3.**



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### **Detailed Rationale:**

Infomerics has assigned its ratings of 'IVR BBB' on the long-term bank facilities of Silver Oak Shops & Offices Co. Op. Housing Society Limited (SOSOCOHSLS). Infomerics has also assigned its rating of 'IVR A3+' on the short-term bank facilities of the company.

The ratings assigned factors in the experienced management, improvement in scale of operations driven by total number of students enrolled and adequate infrastructure along with association of experienced faculties. The ratings, however, are constrained by on-going project implementation risk and susceptibility to regulatory risk and intense competition.

The positive outlook factors in the expected improvement in the society's scale of operations and profitability driven by higher number of student enrolments. This along with expected level of debt is likely to result in improvement in the debt protection metrics.

Further, Infomerics has also withdrawn its ratings on certain bank facilities availed from IndusInd Bank. This withdrawal is based on the request of the society and 'No Due Certificate' received from the lender. The rating is withdrawn in accordance with Infomerics' policy on withdrawal of ratings.

### **Key Rating Sensitivities:**

#### **Upward Factors**

- Significant improvement in scale of operations leading to profitability on a sustained basis
- Significant improvement in the capital structure leading to better-than-expected debt protection metrics

#### **Downward Factors**

- Significant decline in scale of operations leading to decline in profitability and margins.
- Deterioration in the capital structure and any debt funded capex leading to deterioration in the debt protection parameters and/or the liquidity position of the company.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**



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### **Experienced Management**

The promoters of the society, the Silver Oak Group started their operations in the education sector in 2008. Mr. Shital Omprakash Agarwal, the main promoter and Chairman of SOSOCHS is in the education sector with more than two decades of experience. He is actively involved in the management of the society with support from Ms. Poonam D Agarwal (Executive Director) also having experience for over one decade and Mr Janak Khandwala (Joint Executive Director). The day-to-day activities of the educational institutions are managed by respective principals under the guidance of society members.

### **Improvement in total number of students enrolled**

The number of students at colleges / institutes run by SOSOCHS has increased to over 25000 in FY25 from around 21500 in FY23. The incremental admission of students mainly attributed to increase in number of courses post receipt of university status to the society. SOSOCHS's top line improved in FY24 (A) and FY'25 (Provisional) marked by TOI of Rs. ~142 crore and Rs. ~187 crore respectively representing growth of ~24% in FY'24 (A) vis-à-vis FY'23 (A) and ~30% in FY'25 (Prov.) vis-à-vis FY'24 (A). The increase in top-line was due to increase in intake of students in various academic streams offered by the Silver Oak University and increase in significant revenue from Skill development programme. Further, the profitability marked by EBITDA & PAT margins also improved to ~45% & ~24% respectively in FY'24 (A) over previous year. The operating margin further expected to remain in the range of ~45-46% going forward.

### **Adequate infrastructure with association of experienced faculties**

The institutes under SOSOCHS recruits a few experienced faculty members, which is essential in building a strong brand name and attracting quality students. Further, all the institutes under SOSOCHS have modern infrastructure including modern lab, canteen facilities and latest tools & technologies.

### **Key Rating Weaknesses**

#### **Project implementation risk**

The society is upgrading its facilities for the faculty members and students, which includes the addition of two more floors on its existing premises. The total cost of the project is estimated



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at around Rs. 47 crores which is being funded by term loan of Rs. 35.00 crore and internal accruals or unsecured loans of Rs. 12.00 crore. Society has incurred around Rs. 18.00 crores till 30<sup>th</sup> April 2025 by way of Rs. 10.00 crore as term loan and Rs. 8.00 crore through internal accruals. Any delay in implementation of the project leading to cost and time overruns will remain a key rating monitorable.

### **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 impacting the flexibility of society will remain a key monitorable going forward.

### **Intense competition**

The education sector is highly fragmented with the presence of large number of players due to high growth opportunities and Government's thrust on education for all. Therefore, the players in this industry are exposed to competition. Society faces intense competition from reputed public and private institutes in the nearby states. This puts pressure on attracting / retaining talented students and faculty.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Service Sector Companies](#)

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

[Criteria for assigning Rating outlook](#)

[Default Recognition Policy](#)

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

[Policy on Withdrawal of Ratings](#)

### **Liquidity – Adequate**

The liquidity position of the society is expected to remain adequate as the society is expected to generate sufficient cash accruals to meet the repayment obligations during FY26. The current ratio and quick ratio slightly deteriorated, however, remain comfortable at 1.72x each as on March 31, 2024. The society has cash and bank balance of Rs.17.18 crore as on 31st March 2024.



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### **About the Company**

Silver Oak Shops & Offices Co. Op Housing Society (SOCOCHS), incorporated in 2006, manages Silver Oak University (setup in 2019) which has 16 institutes under it including Silver Oak College of Engineering and Technology (set up in 2009) and Aditya Silver Oak Institute of Technology (ASOIT) (set up in 2014) in Ahmedabad, Gujarat. SOSOCHS is managed by Mr Shital Omprakash Agrawal (Chairman), and Mrs Poonam D Agrawal (Executive Director) having an experience of more than a two decade and supported by qualified personnel.

The society also manages a National Skill Development Centre, a vocational training centre under the Skill India Campaign and an incubation centre. SOSOCHS had applied to set up the Private University for which it got approval by the state government on July 16, 2019.

### **Financials (Standalone)**

	<b>(Rs. crore)</b>	
<b>For the year ended / As On*</b>	<b>31-03-2024 (Audited)</b>	<b>31-03-2025 (Provisional)</b>
Total Operating Income	142.96	186.55
EBITDA	64.78	86.54
PAT	34.73	45.34
Total Debt	131.72	221.36
Adjusted Tangible Net Worth	138.31	182.89
<b>Ratios</b>		
EBITDA Margin (%)	45.31	46.39
PAT Margin (%)	24.10	24.16
Overall Gearing Ratio(x)	0.95	1.21
Interest Coverage (x)	4.46	5.71

*\*As per Infomerics' standards*

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**

**Rating History for last three years:**



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Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years			Date(s) & Rating(s) assigned in 2021-22
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23		
					(February 14, 2024)	(November 30, 2022)	August 31 <sup>st</sup> 2023	(June 16, 2022)
1	Term Loans	Long-Term	217.39	IVR BBB/Positive	-	-	-	-
2	Overdraft	Long-term	13.00	IVR BBB/Positive	-	-	-	-
3	Bank Guarantee	Short-term	5.61	IVR A3+	-	-	-	-
4	Term Loans	Long Term	- (Earlier rated Rs 78.60 crore)	Withdrawn	IVR BBB/Stable	IVR BBB-/Stable	IVR BB+ (INC)	IVR BBB-/Stable
5	Term Loans (Fresh)	Long Term	- (Earlier rated Rs 17.52 crore)	Withdrawn	IVR BBB/Stable	-	-	-
6	Overdraft	Long Term	- (Earlier rated Rs 5.50 crore)	Withdrawn	IVR BBB/Stable	IVR BBB-/Stable	IVR A4+ (INC)	IVR BBB-/Stable
7	Bank Guarantee	Long Term	- (Earlier rated Rs 6.00 crore)	Withdrawn	IVR BBB/Stable	IVR BBB-/Stable	IVR BB+ (INC)	-





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### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd ] 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](http://www.infomerics.com).



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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Overdraft	-	-	-	13.00	IVR BBB/ Positive
Term Loan	-	-	Up to Feb, 2035	217.39	IVR BBB/ Positive
Bank Guarantee	-	-	-	5.61	IVR A3+

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-silveroak-may25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated instrument/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](http://www.infomerics.com).