

Company Overview

Jaro Institute of Technology Management and Research, established in 2009 by Sanjay Namdeo Salunkhe, is one of India's leading online higher education and upskilling platform companies. Despite being entirely bootstrapped, the institute has achieved strong EBITDA on the back of 15 years of in-depth understanding of the online higher education and upskilling sector. With a pan-India presence of over 22 offices-cum-learning centres across major cities for offline learning, along with 15 immersive tech studio set-ups on the campuses of various IIMs, Jaro caters to a total of 34 Partner Institutions as of March 31, 2024. This roster includes premier institutions in India and globally, such as IITs, IIMs, the Swiss School of Management, and the Rotman School of Management at the University of Toronto. Notably, 24 of these institutions have earned the distinction of being ranked among the top 100 in their respective streams by NIRF in 2024. The company has established strong and lasting collaborations with its Partner Institutions, owing to its consistent delivery of quality degree programs, certification courses, and admission-related services over an extended period of time. The institute has received appreciation from Symbiosis International (Deemed University), IITs, and IIMs for providing technology and infrastructure support for lecture delivery, marketing, promotion, student acquisition, and ongoing support. Through personalized, technology-driven degree programs and certification programs delivered in collaboration with its Partner Institutions, Jaro has consistently expanded its offerings and secured contract renewals while retaining its existing partnerships.

Objects of the issue

The company proposes to utilize net proceeds towards funding the following objects:

- ⇒ Marketing, brand building and advertising activities;
- ⇒ Prepayment or scheduled re-payment of a portion of certain outstanding borrowings availed by the company; and
- ⇒ General corporate purposes.

Investment Rationale

Market leading position in online higher education and upskilling space, with strong brand image and pan-India presence

Since its launch in 2009, Jaro Education has established its position as one of the early movers in the industry. Its focus on delivering flexible and accessible learning solutions to a broad demographic, supported by collaborations with both local and global Partner Institutions, a diversified course portfolio, and customized learning delivery models, has positioned it to capitalize on the significant potential of India's online higher education and upskilling market. Additionally, partnerships with top-tier universities ensure strong credential recognition, further strengthening the company's market leadership. The company's advantage lies in its extensive network of collaborations with premier Partner Institutions across India. It has built a robust learning ecosystem for its learners through online LMS platforms, on-campus and off-campus immersive studios, technology training and orientation, dedicated learner support, and personalized career counselling and guidance. Its approach to enriching learners' educational journeys and fostering effective learning environments through targeted, synchronous engagements with Partner Institutions has enabled it to boost enrolments for its degree programs. The company's brand image, partnerships with prestigious Partner Institutions such as IIMs, IITs, and top NIRF-ranked universities in India and abroad, and focus on learner satisfaction have been instrumental in increasing learner numbers through high referral rates, low learner acquisition costs, and high course completion rates. Its counselling-focused sales approach and targeted marketing have further driven strong enrolment conversions. In addition, LMS platforms with technology support, combined with the company's brand image and partnerships with premier institutions, enable higher referrals, resulting in lower learner acquisition costs per enrolment compared to those incurred through high marketing, brand building, and advertising spends.

Issue Details

Offer Period	23rd Sept. 2025 - 25th Sept. 2025
Price Band	Rs. 846 to Rs. 890
Bid Lot	16
Listing	BSE & NSE
Issue Size (no. of shares in mn)	5.1
Issue Size (Rs. in bn)	4.5
Face Value (Rs.)	10

Issue Structure

QIB	50%
NIB	15%
Retail	35%

	Nuvama Wealth management Ltd., Motilal Oswal Investment Advisors Ltd., Systematix Corporate Services Ltd.
BRLM	

Registrar	Bigshare Services Pvt. Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	78.3%	57.3%
Public	21.7%	42.7%
Total	100.0%	100.0%

(Assuming issue subscribed at higher band)

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Proven track record in delivering high quality and diversified course offerings

Online higher education and upskilling companies exhibit a wide range of durations, accommodating the needs of learners with short-term certificate courses, such as six weeks, to long-term doctoral programs of up to 36 months. This diversity caters to individuals with varying time commitments and preferences, allowing flexibility in choosing the duration of their educational journey. While many companies in this sector concentrate primarily on certification courses, the company emphasizes both degree and certification domains. It deploys its business intelligence capabilities and information databases to collect and analyze data on factors such as industry trends, demand drivers, success factors, and financial metrics, in close collaboration with university partners. The insights gained from this exercise helps in providing recommendations and decisions about program development, design, and growth strategies, ensuring that the online education delivered remains aligned with industry demand. More than 100 programs offered by IIMs and IITs have been developed based on the company's business intelligence inputs, and these programs are exclusive to the company, underscoring the prestige of its Partner Institutions and the caliber of its capabilities. The company focuses on high-demand disciplines such as management and technology, where the demand for these skills is significant. Its certification courses in management, fintech, data science, business analytics, design thinking, and digital marketing are offered in partnership with leading institutions. Among its peers in the online higher education and upskilling sector, the company is the only one offering courses in fields such as arts, commerce, economics, and journalism and mass communication, demonstrating the diversified scope of its portfolio. By collaborating with the company, Partner Institutions are able to deliver professional education through online modalities that match the caliber and quality of their traditional offline programs, while simultaneously expanding outreach to a broader demographic of learners and facilitating job readiness.

Valuation

Jaro Institute of Technology Management and Research, established in 2009 by Sanjay Namdeo Salunkhe, is one of India's leading online higher education and upskilling platform companies. With a pan-India presence of over 22 offices-cum-learning centres across major cities for offline learning, along with 15 immersive tech studio set-ups on the campuses of various IIMs, Jaro caters to a total of 34 Partner Institutions as of March 31, 2024. The company offers comprehensive solutions for its learners, which include students as well as professionals up to C-Suite executives, spanning multiple domains and industry verticals. Its curated offering of customized programs at various academic levels, along with a holistic and comprehensive course portfolio across fields of study and affiliations with top-tier Partner Institutions, has enabled it to boost enrolments in degree programs and certification courses at a CAGR of 16.8% and 58.4%, respectively, from March 31, 2022 to March 31, 2024. The total addressable market for the company in India's online higher education and upskilling sector was Rs. 13,000 crores in FY23 and is expected to grow at a CAGR of 25.7% over the next five years, reaching a market size of Rs. 42,000 crores in FY28. Building high-quality partnerships with distinguished institutions lies at the core of the company's strategy. With a PAT margin of 18.7% in FY24 which was the highest amongst its peers, the company has strongly positioned itself as a strong player in the market. **At the upper price band of Rs. 890 per share, Jaro institute is valued at a P/E multiple of 35x based on FY25 earnings. Given the company's expanding margins, industry growth potential and scalable business model, we believe that the valuation is justified. Thus, we recommend a "SUBSCRIBE" rating for this issue with a medium to long-term investment horizon.**

Key Risks:

- ⇒ The company's ability to retain the present number of learners serviced by it and attract new learners is dependent upon various factors, including its reputation and ability to maintain a high level of service quality. If the company is unable to procure or retain learners or participants for the programs and courses that its Partner Institutions offer, its business, revenues, results of operations and prospects may suffer.

Jaro Institute Ltd.

- ⇒ The company's business is dependent on revenue-sharing agreements with its Partner Institutions. If Partner Institutions reduce their revenue share once their programs and courses have sufficient vintage to draw enrolments, its revenue could decline. This may necessitate increased marketing efforts to acquire new learners, potentially leading to higher acquisition costs.
- ⇒ The company relies on third-party service providers who may not always perform their obligations satisfactorily or in compliance with applicable laws. Any disruption in these services, or discontinuation of service agreements by such providers, could reduce client and learner satisfaction, impacting the company's ability to attract new learners and partner institutions, and adversely affect its reputation, business, financial condition, and results of operations.

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from operations	1,221	1,990	2,523
Total revenue	1,221	1,990	2,523
Expenses			
Employee benefit expenses	448	620	739
Other expenses	542	746	965
Total operating expenses	990	1,366	1,704
EBITDA	231	624	818
Depreciation & amortization expenses	53	68	91
EBIT	178	556	727
Finance costs	46	48	43
Other Income	24	35	18
PBT and exceptional items	156	544	701
Exceptional items	0	-24	0
PBT	156	520	701
Tax expense			
Current tax	33	69	70
Short/excess provision of tax	0	-8	9
Deferred tax	9	79	106
Total tax	42	140	185
Net Profit	114	380	517
Diluted EPS	6	19	25

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	29	-170	-235
Cash flow from/(used in) investing activities	-77	471	-41
Net cash flows (used in) / from financing activities	45	-192	142
Net increase/(decrease) in cash and cash equivalents	-3	110	-134
Cash and cash equivalents at the beginning of the period	77	74	184
Cash and cash equivalents at the end of the period	74	184	51

Source: RHP, BP Equities Research

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
ASSETS			
Property, plant and equipment	101	20	38
Right of use assets	163	153	124
Goodwill	28	0	0
Other Intangible assets	0	0	0
Financial Assets			
(i) Loans	162	0	0
(i) Other financial assets	45	63	64
Other Non-Current Tax Assets	125	151	147
Total Non-current Assets	623	387	372
Current Assets			
Financial Assets			
(i) Trade Receivables	79	117	362
(ii) Cash and cash equivalents	74	184	51
(iii) Bank balances other than cash	60	1	1
(iv) Loans	216	1	0
(v) Other financial assets	53	45	2
Other current assets	653	1,283	1,978
Total Current Assets	1,135	1,631	2,395
Total Assets	1,758	2,018	2,767
Equity and Liabilities			
Equity Share Capital	150	150	202
Other Equity	628	1,024	1,513
Non-controlling interest	57	0	0
Total Equity	836	1,174	1,715
Non-Current Liabilities			
Borrowings	74	6	4
Lease Liabilities	116	99	54
Deferred Tax Liabilities (Net)	22	97	203
Provisions	9	13	15
Total Non-Current Liabilities	221	215	276
Current Liabilities			
Financial Liabilities			
(i) Borrowings	304	243	507
(ii) Trade Payables	196	206	130
(iii) Lease Liabilities	44	58	75
Provisions	5	6	6
Other financial liabilities	40	11	46
Other current liabilities	112	105	11
Current tax liabilities (Net)	1	0	0
Total Current liabilities	700	629	776
Total Liabilities	922	843	1,052
Total Equity and Liabilities	1,758	2,018	2,767

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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