

Retail Research	IPO Note
Sector: Online Education	Price Band (Rs): 846 – 890
20 th September 2025	Recommendation: SUBSCRIBE for Lon Term

Jaro Institute of Technology Management & Research Ltd

Company Overview:

Jaro Institute of Technology Management and Research Ltd (Jaro Institute) is an online higher education and upskilling platform company which markets and facilitates delivery of a diverse range of degree programs including D.B.A, MBA, M.Com., M.A., PGDM, M.C.A., M.Sc., B.Com., BCA, as well as cross- disciplinary certification courses in partnership with various universities and institutions. It has partnered with 36 Partner Institutions including 16 Tier I universities & institutions (including 7 IIMs & 7 IITs) and 15 Tier II universities & institutions. The company has a pan-India presence with 22 offices cum learning centres and 17 immersive studios across India as of Mar'25.

Key Highlights:

1. Market leading position in the online higher education and upskilling space:

Jaro Institute has established its position as one of the early movers in the industry through its focus on delivering flexible and accessible learning solutions to a broad demography. The company has established a robust learning ecosystem for Learners through online LMSS, on-campus and off-campus immersive studios. The company has expanded the partnership by collaborating with foreign institutions like the Swiss School of Management and Rotman School of Management (Toronto, Canada). These partnerships along with the company's brand image have been instrumental in increasing the learner count, high referral rates and low learner acquisition cost.

2. Comprehensive solutions to partners & learners: The company acts as a one-stop solution for a university or institution looking to offer online, hybrid and in-person degree programs & certification courses. Its value outreach extends beyond course outreach through marketing and brand building as it seeks to augment the quality of degree and certification programs, making it a partner of choice for universities and institutions.

3. Strong client relationships: Jaro Institutes' deep market insights coupled with investment in technology, integration, content production, marketing, learner & faculty support, are necessary to create large successful degree programs and certification courses. These capabilities have helped the company grow its client base from 22 partnerships as of Mar'22 to 36 partnerships as of Mar'25. Further, its customized insights for design & positioning of offerings, focus on outreach through promotional activities and emphasis on counselling-based approach to derive learner satisfaction have helped the company develop long-term relationships with clients.

4. High quality and diversified offerings: Jaro Institute's online higher education and upskilling platform offerings include a total of 268 degree programs & certification courses as of Mar'25. These courses are offered for a duration of 6 months to 36 months catering to individuals with different time commitments and preferences allowing for flexibility in choosing the duration of the educational journey. Due to this, the completion rate for degree programs and certification courses stood at 85.0% and 94.9% respectively, showcasing learner satisfaction.

View & Valuation: At the upper price band of Rs 890, the issue is valued at a P/E multiple of 38.2x on post-issue capital. Jaro Institute is among the leaders in the online education offering a total of 268 degree and certificate courses. The company has delivered strong Revenue/EBITDA/Adj. PAT CAGR of 44%/88%/113% to Rs 252 cr/ Rs 82 cr/Rs 52 cr respectively between FY23-FY25 period, showcasing its financial strength. Further, Jaro Institute is expected to capitalize on the projected 1.9x jump in the Indian online education and upskilling market by FY28. We recommend investors to SUBSCRIBE to the issue at the cut-off price for the long-term.

Issue Details	
Date of Opening	23 rd September 2025
Date of Closing	25 th September 2025
Price Band (Rs)	846 – 890
Issue Size (Rs cr)	450.0
Fresh Issue (Rs cr)	170.0
Offer for sale (Rs cr)	280.0
Issue Size (No. of shares) @ upper band	50,56,180
Face Value (Rs)	10.0
Post Issue Market Cap (Rs cr) @ upper band	1,883 – 1,972
BRLMs	Nuvama Wealth Management Ltd, Motilal Oswal Investment Advisors Ltd, Systematix Corporate Services Ltd
Registrar	Bigshare Services Pvt Ltd
Bid Lot	16 shares and in multiples thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Marketing, brand building and advertising activities	81.0
Prepayment or scheduled repayment of certain borrowings availed by the company.	45.0
General corporate purposes*	-
Total proceeds from fresh issue*	170.0

*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	1,58,49,329	78.3
Public & Others	43,96,848	21.7
Total	2,02,46,177	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	1,25,39,636	56.6
Public & Others	96,16,653	43.4
Total	2,21,56,289	100.0

Source: RHP, SSL Research

Key Financials

Particulars (Rs cr)	FY23 ^{#2}	FY24 ^{#2}	FY25 ^{#3}
Revenue from operations	122	199	252
EBITDA	23	62	82
Adj. PAT	11	40	52
EBITDA Margin (%)	18.9	31.3	32.4
Adj. PAT Margin (%)	9.3	20.3	20.5
RoE (%)	14.6	34.4	30.1
RoCE (%)	17.5	41.6	33.4
P/E (x) ^{#1}	158.8	44.6	34.9

Source: RHP, SSL Research

#1 Pre-issue based on upper price band

#2 Financials for FY23 and FY24 on a consolidated basis

#3 Financials for FY25 on a standalone basis

Risk Factors

- **Partner adoption risk:** The company does not create any educational content nor does it independently offer any degree or certificate programs. The company is entirely dependent on the partner institutions for academic content, deciding enrolment criteria, recruiting faculty, providing lectures, granting degrees, etc. Thus, any decline in the adoption of online programs by partner institutions may have an adverse impact on the company's performance.
- **Revenue concentration risk:** During FY23/FY24/FY25, the company derived 96.3%/88.2%/81.4% of its revenue respectively from its Top 10 partner institutions. Any loss of one or more of the significant partner institutions, a decrease in demand or reduction in the fee structure may have an adverse impact on the company's performance.
- **Geographic concentration:** During FY23/FY24/FY25, the company derived 86.5%/77.8%/73.0% of its revenue cumulatively from western regions from states like Maharashtra, Gujarat, Rajasthan and Madhya Pradesh. Thus, any demographic, regulatory, economic or changes in industrial trends in the region may impact the company's performance.
- **Seasonality risk:** The business is linked to the academic cycle and is therefore subject to seasonality, which may contribute to fluctuations in the results of operations and financial condition.

Growth Strategies

- Expand market share through a broader portfolio of offerings and an extensive network of partnerships.
- Continue marketing, brand building & advertising activities, diversify online presence and increase learner enrolments and scalability of business.
- Expand geographical footprint by setting up additional offices, learning centres, and immersive studios in locations across India.
- Continue to enhance digital capabilities and platforms with a focus on enhancing client satisfaction, operational efficiency and cost optimization.
- Enhance learner experience and lead generation through freemium offerings and counselling tools.

Business Model

STAGE I – PARTNER ACQUISITION & ONBOARDING

The company typically enters into partnerships with its Partner Institutes through the following primary channels:

- A. Tender Process:** The route typically applies to IITs and IIMs, which issue tenders for collaborations with online higher education and upskilling platforms. The key steps in this process are:
 - a. Tender process procurement
 - b. Evaluation of technical qualifications
 - c. Shortlisting rounds
 - d. Partnership Formation
- B. Business Development:** This involves directly connecting with institutions and informing them about the company's services, creating awareness, and establishing relationships. The key steps in this process are:
 - a. Identifying Demand & Capabilities
 - b. Initial meeting with stakeholders
 - c. Formal presentation and business forecast
 - d. Exclusivity
 - e. Agreement process
- C. Referrals by partner institutions:** This process involves the acquisition of new partners through recommendations and referrals by current partner institutions.

STAGE II - POST-ONBOARDING PROCESS AND DEVELOPMENT OF DEGREE PROGRAMS AND CERTIFICATION COURSES

- A. Business intelligence, market research and positioning:** The company offers intelligence insights on the design of certification courses, content development, demand estimation, pricing and geographical expansion to the Partner Institutions.
- B. Onboarding, mutual agreement and finalization:** The company establishes a detailed agreement regarding the development of degree programs and certification courses including the details of the collaboration such as roles and goals of these degree programs and certification courses with the partner institution.
- C. Program description sheet ("PDS"):** This document details the curriculum, duration, target audience, and pricing for the certification courses. The PDS is shared with the faculty for final approval. Once approved by the faculty, it is sent to the institution's centralized approval department. After final approval, the launch process begins.
- D. Development and launch preparation:** While the Partner Institutions develop and own the academic content, the company assembles the marketing and operations teams to support the launch of the degree programs and certification courses. The company does not own the intellectual property associated with the content of the degree programs and certification courses, which is vested with the Partner Institution.

STAGE III – LAUNCH AND MARKETING OF DEGREE PROGRAMS AND CERTIFICATION COURSES

The company creates awareness of the degree program & certification courses offered by universities and institutions through targeted marketing strategies which include:

- A. Social media awareness campaigns.
- B. Corporate association campaigns
- C. Webinars and info sessions
- D. Email campaigns
- E. Announcement on various forums including Jaro Connect, WhatsApp Announcements, etc.

STAGE IV – ONBOARDING AND FEE COLLECTION

Once the degree programs and certification courses are launched and marketed, the company focuses on onboarding Learners for the relevant degree programs and certification courses. Further, the company acts as a custodian for fee collection for 47.2% of the Partner Institutions, while for the remaining 52.8% Partner Institution the fees are directly collected through the university or institution's portal.

Source: RHP, SSL Research

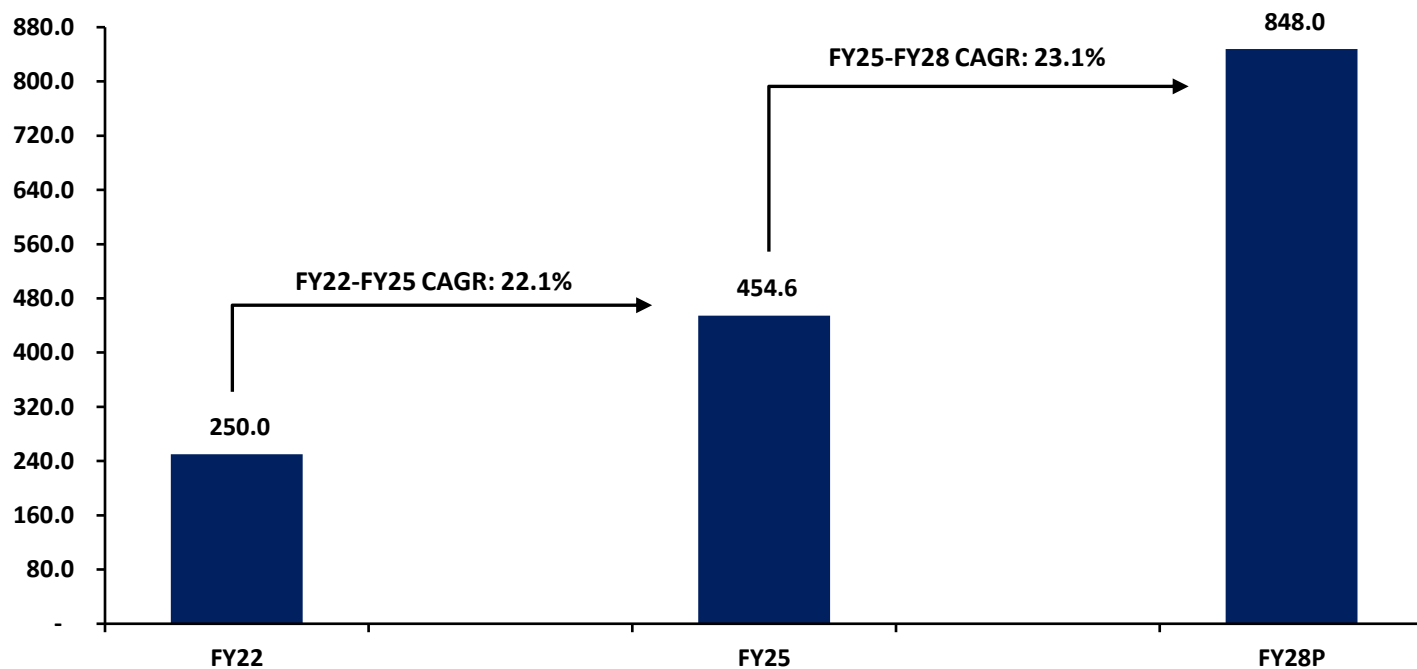
Learner Acquisition Costs & Enrolments

Particulars	FY23	FY24	FY25
Marketing, brand building & advertising			
Total marketing, brand building & advertising costs (Rs cr)	35.9	54.5	67.6
Number of Enrolments	13,157	19,926	21,489
Learner acquisition per enrolment (Rs)	27,318.5	27,329.1	31,459.4
Share in Enrolments (%)	61.0	68.4	68.4
Referrals			
Referrals fees paid (Rs cr)	3.7	4.4	9.0
Number of Enrolments	8,422	9,219	9,945
Learner acquisition per enrolment (Rs)	4,394.4	4,802.0	9,007.5
Share in Enrolments (%)	39.0	31.6	31.6
Total			
Total Learner acquisition cost (Rs cr)	39.6	58.9	76.6
Total Number of Enrolments	21,579	29,145	31,434
Total Learner acquisition per enrolment (Rs)	18,371.6	20,203.5	24,356.1

Source: RHP, SSL Research

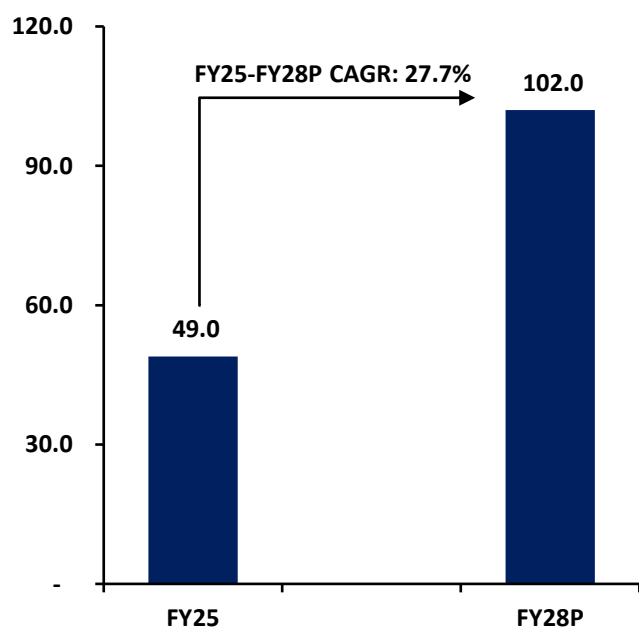
Industry Overview

Indian online education & upskilling market (Rs bn)



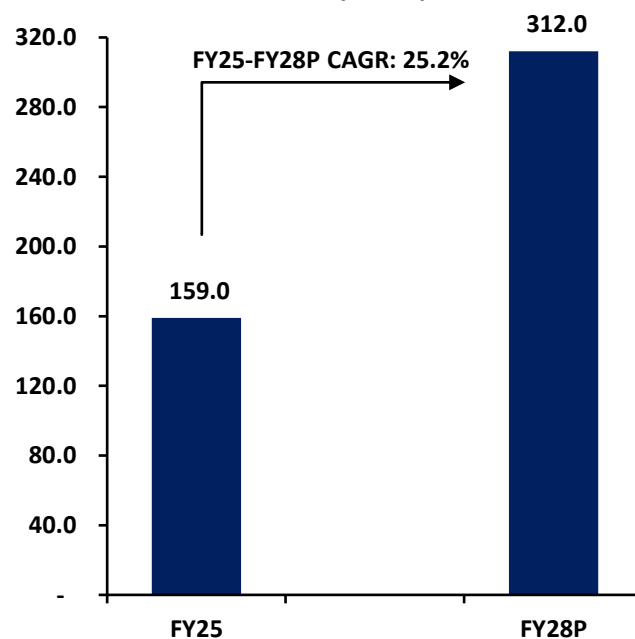
Source: RHP, SSL Research

Indian online higher education market (Rs bn)



Source: RHP, SSL Research

Indian online certificate & upskilling market (Rs bn)



Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	FY23 ^{#2}	FY24 ^{#2}	FY25 ^{#3}
Revenue from Operations	122	199	252
YoY growth	-	63.0%	26.7%
Employee Cost	45	62	74
Other Operating Expenses	54	75	97
EBITDA	23	62	82
EBITDA margin	18.9%	31.3%	32.4%
Other Income	2	4	2
Interest Exp.	5	5	4
Depreciation	5	7	9
PBT	16	54	70
Exceptional item	-	(2)	-
Tax	4	14	18
Reported PAT	11	38	52
Reported PAT margin	9.4%	19.1%	20.5%
Adj. PAT	11	40	52
Adj. PAT margin	9.3%	20.3%	20.5%

BALANCE SHEET			
Particulars (Rs cr)	FY23 ^{#2}	FY24 ^{#2}	FY25 ^{#3}
Assets			
Net Block	10	2	4
Intangible Assets	3	-	-
Right of use assets	16	15	12
Other Non-current Assets	33	21	21
Current Assets			
Trade receivables	8	12	36
Cash and Bank Balances	13	19	5
Short-term loans and advances	22	-	-
Other Current Assets	71	133	198
Total Current Assets	113	163	239
Current Liabilities & Provisions			
Trade payables	20	21	13
Other current liabilities	15	12	6
Short-term provisions	-	1	1
Total Current Liabilities	35	33	19
Net Current Assets	78	130	220
Total Assets	140	169	257
Liabilities			
Share Capital	15	15	20
Reserves and Surplus	63	102	151
Total Shareholders' Funds	78	117	172
Minority Interest	6	-	-
Total Debt	38	25	51
Long Term Provisions	1	1	1
Lease Liabilities	16	16	13
Net Deferred Tax Liability	2	10	20
Total Liabilities	140	169	257

CASHFLOW			
Particulars (Rs cr)	FY23 ^{#2}	FY24 ^{#2}	FY25 ^{#3}
Cash flow from Operating Activities	3	(17)	(23)
Cash flow from Investing Activities	(8)	47	(4)
Cash flow from Financing Activities	5	(19)	14
Free Cash Flow	(0)	(17)	(28)

RATIOS			
Particulars	FY23 ^{#2}	FY24 ^{#2}	FY25 ^{#3}
Profitability			
Return on Assets	6.5%	20.0%	18.7%
Return on Capital Employed	17.5%	41.6%	33.4%
Return on Equity	14.6%	34.4%	30.1%
Margin Analysis			
EBITDA Margin	18.9%	31.3%	32.4%
Net Profit Margin	9.3%	20.3%	20.5%
Short-Term Liquidity			
Current Ratio (x)	1.7	2.9	3.4
Quick Ratio (x)	1.7	2.9	3.4
Avg. Days Sales Outstanding	24	21	52
Avg. Days Payables	72	55	28
Fixed asset turnover (x)	12.1	101.1	66.7
Debt-service coverage (x)	0.5	2.0	1.3
Long-Term Solvency			
Total Debt / Equity (x)	0.5	0.2	0.3
Interest Coverage Ratio (x)	4.4	12.3	17.3
Valuation Ratios^{#1}			
EV/EBITDA (x)	79.0	29.0	22.6
P/E (x)	158.8	44.6	34.9
P/B (x)	23.1	15.3	10.5
EV/Sales (x)	15.0	9.1	7.3
Mkt Cap/Sales (x)	14.8	9.1	7.1

#1 Valuation ratios are based on pre-issue capital at the upper price band.

#2 Financials for FY23 and FY24 are on a consolidated basis

#3 Financials for FY25 are on a standalone basis

Source: RHP, SSL Research

Peer Comparison

THE COMPANY DOES NOT HAVE ANY LISTED PEERS IN INDIA OR GLOBALLY.

SBICAP Securities Limited

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Registered & Corporate Office: Marathon Futorex, A Wing, 12th Floor, N. M. Joshi Marg, Lower Parel, Mumbai-400013.

For any information contact us:

022-6854 5555**E-mail: helpdesk@sbicapsec.com | Web: www.sbisecurities.in****DISCLOSURES & DISCLAIMERS:**

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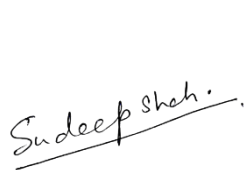
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Name	Qualification	Designation
Sudeep Shah	MMS-Finance	VP- Technical & Derivative Research
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	CA	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Sweta Padhi	MBA (Finance)	Research Analyst - Equity Fundamentals
Uday Chandgothia	B-Tech, MBA (Finance)	Research Associate - Equity Fundamentals
Arnav Sane	BMS (Finance)	Research Associate - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Vinit Mishra	B.Com	Research Associate - Equity Fundamentals
Gautam Updhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst - Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

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Sudeep Shah

VP – Technical & Derivative Research


Sunny Agrawal

DVP – Fundamental Research