

September 29, 21010

**CARE ASSIGNS 'CARE BBB-' RATING TO THE BANK FACILITIES OF
KUSHAL EDUCATION TRUST**

Rating

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	19.50	'CARE BBB-' (Triple B Minus)	Assigned
Total Facilities	19.50		

Rating Rationale

The rating factors in the good experience of the promoter in the education sector, established operations, private university status that provides partial relaxation from some regulatory restrictions, moderate financial risk profile marked by moderate gearing, moderate liquidity and cash accruals. The rating also derives strength from prepayment of loans originally due in FY11. The rating is, however, constrained by moderately lower size of operations, high competition and regulatory restrictions in the education sector.

The sustainability of strong enrolment ratio and improvement in the overall financial risk profile are the key rating sensitivities.

Company Profile

KET was promoted by the present Chairman Mr Kamal Mehta in August 2002 at Jaipur, Rajasthan. Mr Kamal Mehta, aged 48 years, is a Chartered Accountant and had also promoted Vaishali Urban Co-operative Bank in 1998 and a Management college "The Institute of Certified Management Accountants of India" at Jaipur in 2000. In 2002, besides KET, he also established Suryanagri Education Society offering various degree courses in graduation and post-graduation level.

In February 2009, KET was granted approval to establish first private university in Western Rajasthan, Jodhpur National University. The flagship institute, Jodhpur Engineering College & Research Centre (JECRC), was established in 2003 and offers engineering degree. In addition to engineering, KET offers various degree courses in MBA, Pharmacy, Dental, integrated courses in law & science and PhD.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

KET registered operating income of Rs.14.31 crore with a net surplus of Rs.1.93 crore during FY09. As per provisional results for FY10, operating income was Rs.18.36 crore with a net surplus of Rs.2.08 crore.

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CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

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