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CM RATING 42 /100

Jaro Institute of Technology Management and Research

Higher education play

Market leader in online higher education and up-skilling space with strong brand image and pan-India presence

Jaro Institute of Technology Management and Research (Jaro Education) is an online higher education company. The company has a pan-India presence of over 22 offices-cum-learning centers across major cities for offline learning, apart from 17 immersive tech studio set-ups in the campuses of various IIMs.

As of March 31, 2025, the company offers a total of 268 degree programs and courses, including D.B.A, MBA, M.Com, M.A, PGDM, MCA, B.Com, BCA and other degree programs. It offers online, hybrid and in-person certification courses in management, fintech, data science, business analytics, design thinking and digital marketing.

Jaro Education caters to a total of 36 partner institutions, as of March 31, 2025. The company's roster of 36 partnerships comprises premier partner institutions both in India and globally, including IITs, IIMs and premier global institutions such as Swiss School of Management and Rotman School of Management, University of Toronto, and top corporates, out of which 29 institutions have earned the distinction of being ranked among the top 100 partners in their respective streams by NIRF, as of 2025.

It has partnered with 36 partner institutions, comprising 16 Tier-1 universities and institutions in India, (including 7 IIMs, 7 IITs, and 15 Tier-2 Universities).

Jaro Education has also received appreciation from Symbiosis International (Deemed University), IITs and IIMs for supporting them in technology and infrastructure support for lecture delivery, marketing and promotion and student acquisitions and support.

Object of the offer

The IPO consists of a fresh issue of Rs 170 crore and offer for sale of Rs 280 crore.

The selling shareholders include Sanjay Namdeo Salunkhe who will offload 3146067 equity shares at upper price band aggregating Rs 280 crore.

Out of the proceeds from the fresh issue, Rs 81 crore will be used for Marketing, brand building and advertising activities, Rs 45 crore will be used for prepayment or scheduled re-payment of a portion of certain outstanding borrowings availed by the company and the balance for general corporate purpose.

Strengths

Jaro Education has market leading position in online higher education and up-skilling space with strong brand image.

Jaro Education provides comprehensive solutions to partner institutions and learner. It is a one-stop solution for a university/institution looking to offer online, hybrid and in-person degree programs and certification courses.

Jaro Education services which are designed to support the complete lifecycle of a higher education program or course, helps in enhancing scalability and reach of its partner institutions' offerings. Its deep market insight coupled with investment in technology, integration, content production, program marketing, Learner and faculty support and other services necessary to create large, successful programs, has enabled it to grow its client base from 21 partnerships as of March 31, 2022, to 36 partnerships as of March 31, 2025.

Jaro Education has a proven track record in facilitating delivery of high quality and diversified offerings. It focuses on high-demand disciplines such as management and technology in particular where there is a significant demand for these skills. The company has also established collaborations and alliances with 4 renowned global institutions as of March 31, 2025, so as to offer opportunities for online higher education, executive education and up-skilling, as well as to tap into global networks of Learners, faculty and researchers at the intersection of specialized domains such as data science, management and business.

The company leverages technology and digitalization for enhancing client experience and business expansion. Its robust digital capabilities and integration of generative artificial intelligence ("Generative AI") with its tools and operations has enabled the company to deliver a holistic experience to its partner institutions and learners. It offers a comprehensive learning experience through its 3 learning management systems, which provide a user-friendly interface to prospective learners to enroll for its partner institutions' degree programs and certification courses regardless of where they reside, and to engage with interactive elements of such offerings without any technical barriers.

Jaro Education is led by Sanjay Namdeo Salunkhe, the Managing Director, who brings over a decade of managerial experience to his role. He holds a doctorate in "Change management and its impact on achieving business results," along with an MBA and LLB. Salunkhe has earned several accolades for his contributions to the online education sector. Further, Salunkhe is supported by a highly skilled and qualified team of professionals with significant industry experience, ensuring strong leadership and expertise within the company.

There is a promising potential for online education amongst working professionals. Increased penetration of internet, accessibility, affordability, quality of online content and increased acceptance of online courses by industry are some of the factors deriving demand for online education in India. Given the high population and demand for up-skilling and remote learning, there is a huge market potential in India. Also, government policies in India, including the National Education Policy 2020 ("NEP") and initiatives like SWAYAM, Digital India, and Skill India, as well as the target set by NEP to increase gross enrolment ratio in higher education to 50% by 2035, drive the growth of the online higher education and up-skilling market.

Weaknesses

If partner institutions such as IITs and IIMs decide to reduce Jaro Education revenue share once their programs and courses mature enough to attract enrolments independently, it could negatively impact revenues. Further, the company is dependent on online program delivery, and its performance may be impacted if partner institutes offer the same courses on campus.

The company's success is dependent on the partner institutions maintaining the quality of their content and delivery of courses and programs. Any negative feedback on the courses or programs will in turn hamper its ability to drive enrolments.

The company faces customer concentration risk as the company derives majority of the revenues from top customers. In FY2025, the company derived 52.9% of its total revenues from top 3 clients and 62.4% of the total revenues from top 5 clients.

The company derives 73% of its revenue from operations from the Western region and 33.33% of its partner institutions operate in and from the states in the Western region, as of March 31, 2025 as such the company faces geographic concentration of its revenue and business operations.

The online education sector is also highly competitive, with many players offering similar programs, making differentiation a challenge. Intense price-based competition could squeeze profit margins, while maintaining quality and flexibility to meet learner expectations requires continuous investment.

Amid favorable demand prospects, the company's earnings remain exposed to industry-specific risks, such as potential regulatory changes that could impact accreditation, course offerings, and pricing structures. Additionally, the inability to maintain or enhance its brand image could negatively affect business performance.

Jaro Education is also responsible for safeguarding the intellectual property rights of content developed and delivered by its partner institutions. Any failure to adequately protect these rights may result in contractual breaches and could adversely affect its reputation, operations, and future prospects.

Experienced negative cash flows from operating activities in FY 2024 and FY2025. Negative cash flows from operating activities in future will affect the financial condition.

Valuation

Consolidated sales were up by 26.7% to Rs 252.26 crore in FY 2025. OPM inclined 109 bps to 32.44%, resulting in a 31.1% increase in OP to Rs 81.83 crore. OI declined 50.1% to 1.76 crore. Interest cost declined 10.8% to Rs 4.29 crore, while depreciation increased 35.3% to Rs 9.15 crore. PBT stood at Rs 70.14 crore, up 34.9% as against Rs 51.99 crore in FY2024. Tax expenses increased 32.1% to Rs 18.48 crore. PAT grew 35.9% to Rs 51.67 crore.

At the higher price band of Rs 890, the offer is made at a P/E of 38 times FY2025 EPS (of Rs 23.32).

Jaro Education does not have listed peers with similar business-profile.

Jaro Institute of Technology Management and Research: Issue Highlights	
Fresh issue (in Rs crore)	170.0
Offer for sale (in Rs crore)	280.0
Offer for sale (in number of shares)	
- in Upper price band	3146067
- in Lower price band	3309693
Price Band (Rs)	846-890
For Fresh Issue Offer size (in no of shares)	
- in Upper price band	1910112
- in Lower price band	2009456
Post issue capital (Rs crore)	
- in Upper price band	22.16
- in Lower price band	22.26
Post issue Promoter and Promoter Group shareholding	
-On higher price band (%)	57.3%
-On lower price band (%)	56.3%
Bid Size (in No. of shares)	16
Issue open date	23/09/2025
Issue close date	25/09/2025
Listing	BSE, NSE

Rating**42/100****Jaro Institute of Technology Management and Research : Standalone Financials**

	2303 (12)	2403 (12)	2503 (12)
Sales	122.15	199.05	252.26
OPM (%)	18.92	31.35	32.44
OP	23.11	62.40	81.83
Other inc.	2.44	3.52	1.76
PBIDT	25.55	65.92	83.58
Interest	4.58	4.81	4.29
PBDT	20.98	61.11	79.29
Dep.	5.34	6.76	9.15
PBT Before EO	15.64	54.35	70.14
Exceptional items	-	-2.36	-
PBT After EO	15.64	51.99	70.14
Total Tax	4.22	13.98	18.48
PAT	11.42	38.01	51.67
EPS (Rs)*	5.16	17.93	23.32

EPS is on post issue equity capital of Rs 22.16 crore of face value of Rs 10 each

Figures in Rs crore

Source:Jaro Institute of Technology Management and Research Issue Prospectus