

Term Sheet

Jagannath University
Base Location – Bahadurgarh, Haryana

Category: For Profit

Proposal for funding assistance
(Project Cost – Rs.934.67 Lakhs)
(NSDC Loan – Rs.701.00 Lakhs)

2.70 R
2

Date: 2nd January, 2018

Name of DD partner: Grant Thornton



N · S · D · C

**National
Skill Development
Corporation**

301, West Wing, World Mark 1,
Aerocity, New Delhi -110037

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1. Brief about the Project

Particular	Remarks				
1 Name of the Project	Jagannath University, Bahadurgarh, Haryana				
2 Proposing Organization	Jagannath University, Bahadurgarh, Haryana				
3 Implementing Organization	Jagannath University, Bahadurgarh, Haryana				
Funding Details					
4 Total Project Cost	Rs. 934.67 lakhs Break up of project cost: - Creating 3 new centers - Rs.783.18 Lakhs (84% of Project Cost) - Loss Funding in initial 2 years - Rs.30.37 Lakhs (9%) - Working Capital funding in initial 2 years - Rs.70.62 Lakhs (7%)				
5 Promoter's contribution	Rs. 233.67 lakhs (25% of total project cost); in the form of fresh cash infusion.				
6 NSDC Funding	Rs. 701.00 lakhs (75% of total project cost)				
7 NSDC investment per trainee	Rs.1612-				
8 Cost per trade per center	Rs.12,98,148				
Project Details					
9 Project Duration	7 Years				
10 Number of people to be trained	43,473				
11 Targeted Sectors & Target Trainee Segment	<ul style="list-style-type: none"> • BFSI - Graduate and above • Capital Goods - Class 10th and above • Automotive - Class 10th and above • Electronics - Class 10th and above • Power - Class 12th and above • IT - ITeS - Graduate and above • Media & Entertainment - Class 8th and above • Construction - Class 12th and above 				
Target Trades (with duration and fee)					
IS No.	Sector	Trade	Duration (Hours)	Fee (in Rs)	Mapping
1	Automotive	Automotive Service Technician Level 4.	688	9900	No
2	Automotive	Repair Welder	400	8900.	No
3	Automotive	Lathe Operator	400	10499	No
4	Automotive	Automotive Electrician Level 4	400	9900	No
5	Automotive	Repair Painter Auto Body L4	400	8800	No
6	Capital Goods	Draughtsman-Mechanical	400	9900	Yes

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S. No.	Sector	Trade	Duration (Hours)	Fees (INR)	Mapping
7	Capital Goods	Fitter Electronic & Electrical Assembly	500	8900	Yes
8	Capital Goods	CNC-Operator turning	400	13500	Yes
9	Capital Goods	Service Engineer - Installation & Commissioning	400	10499	No
10	Construction	Surveyor	1000	10500	No
11	Construction	Sr. Tech Pre-Stress	1000	11000	No
12	BFSI	Equity Dealer	160	8499	Yes
13	BFSI	Mutual Funds Agent	200	8499	Yes
14	Electronics	Service Engineer	300	10000	No
15	Electronics	Embedded Software Engineer	300	10500	No
16	Electronics	CCTV Installation Technician	360	7999	Yes
17	Electronics	Solar Panel Installation Technician	400	8500	Yes
18	Media & Entertainment	Camera operator	720	9499	No
19	Media & Entertainment	Director of photography	1440	10499	No
20	Media & Entertainment	Editor	240	10499	Yes
21	IT - ITES	Legal Associate	400	10500	No
22	IT - ITES	Test Engineer	400	10000	No
23	Power	Consumer Energy Meter Tech	350	8000	Yes
24	Power	Lineman Construction distribution	175	8900	No

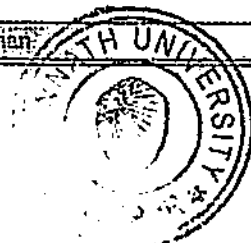
*All Course hours are in alignment with duration as per NOS.

**Including Assessment fee of Rs. 1000/- per course

13	Revenue Model	<ul style="list-style-type: none"> • Training Fees • Assessment Fees 								
14	Target Number of Centres and Locations to be covered	<p>Jagannath University has proposed to open and operate from 3 Centers over a period of 7 years.</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Location of Centre</th> </tr> </thead> <tbody> <tr> <td>Q1 Year 1</td> <td>Bahadurgarh, Haryana</td> </tr> <tr> <td>Q1 Year 2</td> <td>Delhi</td> </tr> <tr> <td>Q1 Year 3</td> <td>Jaipur, Rajasthan</td> </tr> </tbody> </table>	Period	Location of Centre	Q1 Year 1	Bahadurgarh, Haryana	Q1 Year 2	Delhi	Q1 Year 3	Jaipur, Rajasthan
Period	Location of Centre									
Q1 Year 1	Bahadurgarh, Haryana									
Q1 Year 2	Delhi									
Q1 Year 3	Jaipur, Rajasthan									

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		Out of the three proposed locations, the applicant has existing infrastructure (building plus equipment as part of existing university infrastructure) in 2 proposed locations i.e. Haryana and Jaipur and has proposed to use part of the infrastructure for NSDC project.
18:	Increase in income for trained candidates	<ul style="list-style-type: none"> • For wage employment the expected salary shall be projected within range of Rs 10,000-20,000/month • In case of self-employment, expected income is projected in the range of Rs 12,000-20,000/month

As per copy

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2. About Promoter Group and Proposing/Implementing Entity

Proposing Entity	Jagannath University, Bahadurgarh
Implementing Entity	Jagannath University, Bahadurgarh
Year of Incorporation	May 2013
Key business divisions	Educational and vocational training

Jagannath University, Bahadurgarh, Haryana, came into existence as a Private University in May 2013, incorporated under Haryana State Legislature Act No. 8 of 2013, approved under Section 22 of the UGC Act 1956 and is member of Association of Indian Universities (AIU). It started operations in 2013-14 on its own 25 acre campus located on State Highway 22, Bahadurgarh, Haryana.

The University offers UG and PG programs in the areas of Engineering and Technology, Information Technology, Architecture, Management, Commerce, Law, Journalism and Mass Communication, Vocational Studies, Physical Sciences, Agriculture Science and Education.

About Sponsoring Entity

The University is sponsored by Jagannath Gupta Memorial Educational Society, which is a registered non-profit organization established in 1993 and has been imparting education through its various institutions located in the States of Delhi, UP, Haryana and Rajasthan. The Society is running 7 higher educational institutions and 2 Universities, having more than 10,000 students.

Overall Experience in Skill Development and Vocational Training

No. of years of experience	Jagannath Group – Over 24 years Jagannath University – Over 4 years
Past training and placement record	Jagannath University, Bahadurgarh Jagannath has imparted education to approx. 425 candidates since 2013. Since inception only 3 batches have passed out and the total candidates passed were approx. 50 students and rest are undergoing the courses. Short Term Skilling Programs (Self-Financed): Jagannath Gupta Memorial Educational Society offers short term courses by the name of Karmaarth (CSR initiative of Jagannath Gupta Memorial Educational Society). The total number of trainees trained are approx. 2500 of which 1100 trainees have been placed since 2010. Jagannath University, Jaipur (Long Term Courses) Jagannath has imparted education to approx. 3000 candidates during the last 4 financial years (FY2014 to FY2017).
Sectors Covered	Jagannath University, Bahadurgarh has Faculties for- Engineering and Technology; Architecture and Planning; Computer Science and Technology; Management and Commerce; Law; Journalism and Mass Communication; Education; Agriculture Science; Physical Sciences; Allied Health and Medical Sciences; Vocational Studies Short Term Skilling Program: Beauty & Wellness, Apparels, Healthcare, Telecom, IT-ITES and BFSI
Courses Offered	Jagannath University is currently offering following courses: UG and PG programs in the areas of Engineering and Technology, Information Technology, Architecture, Management, Commerce, Law, Journalism and Mass

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	<p>Communication, Vocational Studies, Physical Sciences, Agriculture Science and Education. (Details in Annexure 6)</p> <p>Other group companies are running following short term sponsored courses Assistant Beautician, Sewing Machine Operator, General Duty Assistant, Handset Repairing, Data Entry Operator and Tally and Accounting, Handset Repairing, In store Promoter, Customer Care Executive (Call Centre), E- Waste Collector, CRM Domestic (Non-Voice), Sales Associates, Trainee Associates and Certificate Course in Administrative Assistant</p>
Number of Centres & Locations	<p>The group has 9 centres/locations (including the campus under Jagannath University at Jaipur and Bahadurgarh where the proposed training centers will be housed). The center locations are as follows:</p> <ul style="list-style-type: none"> - New Delhi (4 Centres) - Greater Noida, Uttar Pradesh (1 Centre) - Jaipur, Rajasthan (3 Centres) - Bahadurgarh, Haryana (1 Centre)
Existing Tie-ups for Placement	The applicant has submitted 8 MoU's for placement. The applicant also shared a list of 12 potential recruiters with whom they seek to tie-up in the near future.
Key Highlights & Affiliations	<ul style="list-style-type: none"> • Jagannath University is recognized by UGC. • Jagannath is member of Association of Indian University.

KEY FINANCIALS

Borrower: Jagannath University

(Rs. in Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Turnover	26.21	88.42	145.47
Surplus/ (Deficit)	(112.91)	(151.45)	(243.93)
Net worth	1814.10	1842.07	2292.17

Co-Borrower: Jagannath Gupta Memorial Education Society

(Rs. in Lakhs)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Turnover	5955.31	6087.54	6968.36
Surplus/ (Deficit)	199.05	137.36	483.52
Net worth	8739.96	7348.40	8118.65

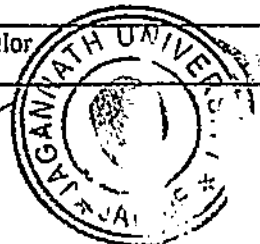
Details of Governing Body

Jagannath University-Governing Body

S.No.	Name of Members	Designation
1	Sh. Manish Gupta	Chancellor
2	Prof. H.L. Verma	Vice Chancellor

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3	Dr. Amit Gupta	Members
4	Mr. YC Bhatt	Members
5	Prof. VK Aggarwal	Members
6	Mr. Naresh Kr. Singhal	Members
7	Sh. Deepak Gupta	Registrar as Member Secretary.

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3. Promoters and Management Team

Name	Designation	Educational Qualification & Institute	Experience	Past Associations	Net worth (in Rs)	CIBIT Score
Prof. H.L. Verma	Vice Chancellor	Ph.D.M.Com, LL.B.	More than 39 years teaching experience.	VC of Apeejay Satya University. Various positions held in Guru Jambheshwar University Of Science & Technology, Reader & Head, Department of Commerce, MDU Rohtak, Lecturer - KU Kurukshetra	NA	798
Sh. Deepak Gupta	Registrar as Member Secretary.	MBA and B.Com (H)	More than 24 years of experience in Administration.	Jagannath Group of Institution	691.06 lakhs	790

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Operating Model

Particulars	Details (Key Highlights only)
Structure (e.g.: Hub/Spoke, franchisee etc.)	The applicant has proposed to operate 3 skilling centers in Bahadurgarh (Haryana), Delhi and Jaipur (Rajasthan). All the 3 centers shall be monitored from the head office. Of the 3 proposed centers, the applicant has existing infrastructure (space plus some training equipment) at 2 locations i.e. Haryana and Jaipur. Additional equipment as per the QP/NOS of NSDC has been provisioned for in the proposed model at these centers
Sourcing of trainees	The strategy to be adopted for mobilization of trainees shall be: <ul style="list-style-type: none"> - Awareness programs - Direct marketing through posters, pamphlets, etc. - Interactions with industry players for upskilling - Various Social Networking platforms
Infrastructure	The applicant has proposed to impart training through 3 skilling centers. The proposed infrastructure would consist of lab equipment as defined by respective SSCs. Out of the 3 locations proposed, 2 of the centers are proposed in existing campus of the applicant i.e. Haryana and Jaipur. The applicant has proposed to use the part of existing infrastructure (space plus some training equipment) at 2 locations i.e. Haryana and Jaipur. Additional equipment as per the QP/NOS of NSDC has been provisioned for in the proposed model at these centers. The applicant has proposed to provide training in all the proposed courses from each center.
Type of training/ Delivery	The applicant will provide training through an appropriate mix of theoretical, practical and on the job training.
Trainers	The applicant has stated that there would be a standard procedure for recruiting new trainers. Full time Trainers and part-time trainers shall be sourced from the industry and various training institutes. The applicant will also conduct various training programs for trainers.
Training Content	The content will be procured from SSCs or vendors approved by SSCs.
Assessment & Certification	The assessment and certification will be done by the respective SSCs.
Placements	The applicant has assured 70% placement for the proposed sectors through tie ups and through efforts of their dedicated placement teams at respective centers as well as centralized team at head office. The applicant has provided list of 21 potential entities for placement of candidates. The following are the name of the potential employers for which LOI's have been shared by the applicant: <ol style="list-style-type: none"> 1. RBL Bank 2. Rana Motors Pvt Ltd 3. Yes Bank 4. Centrum 5. Crowne Plaza Hotels & Resorts 6. Urban Clap 7. Aviral Raj Sharma Photography 8. Meri Delhi Hindi Dainik

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Particulars	Details (Copy Registrations only)
	9. Ease Your Biz
	10. Fever Entertainment
	11. Kamal Kishore Advocate
	12. Karambhoomi TV
	13. Dilip Sood Films
	14. Take Me Home E- Solution Inc
	15. Teleperformance
	16. Green-Wall Techno Solutions P Ltd
	17. Shivam Tools
	18. Ess-Ess Buildcon Pvt Ltd
	19. Okara Trade Parcel Carriers
	20. R.P Jewellers
	21. Ziox

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5. Terms and Conditions of NSDC's Funding Assistance

Details of the NSDC Funding Assistance	Rs.7,01,00,000/- (Rupees Seven crores and one lakh only) as loan from NSDC										
Promoters Contribution	Rs. 2,33,66,667/- (Rupees Two crores Thirty Three lakhs sixty six thousand six hundred and sixty seven only) in the form of fresh cash.										
Moratorium & Repayment	<ul style="list-style-type: none"> ▪ Principal Moratorium Period: Three (3) years from the date of 1st disbursement ▪ Interest Moratorium Period: Nil ▪ Repayment Period: Seven (7) Years (including Moratorium Period) from the date of 1st disbursement 										
Interest Rate	@6% p.a. (simple)										
Repayment Schedule	Principal repayment in 16 quarterly installments, starting from Quarter 1 of Year 4										
Collateral	<ul style="list-style-type: none"> • First charge on assets of the project. • First charge on cash flows of the project. • First charge on the Intellectual Property developed under the project • Pledge letter to be provided by Jagannath University • Personal Guarantee of Mr. Deepak Gupta (Net worth of Rs 691.06 lakhs, as on 22nd April, 2017) • Post Dated Cheques • Equitable mortgage of immovable property* 										
Promoters Contribution	<p>Capital infusion by promoters, in the form of fresh cash. (in Rs. Lakhs)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td></td> <td>90.00 ✓</td> <td>73.67</td> <td>70.00</td> <td>233.67</td> </tr> </tbody> </table>	Year	Year 1	Year 2	Year 3	Total		90.00 ✓	73.67	70.00	233.67
Year	Year 1	Year 2	Year 3	Total							
	90.00 ✓	73.67	70.00	233.67							
Project Specific Conditions	<ul style="list-style-type: none"> • Applicant to provide undertaking that any additional losses resulting in decline in net worth beyond the projected net worth in the financial model would be financed by additional promoter's contribution. Applicant to ensure that actual net worth of SBU during implementation does not decline beyond the projected net worth at any point during the project • Undertaking from applicant that unsecured loans will not be repaid from funding assistance from NSDC. • The proposal owner to submit Non-Encumbrance certificate (for property to be mortgaged) to NSDC before signing of the Loan Agreement. • Applicant to adhere to NSDC branding guidelines • Any subsequent funding in Year 2 to be done on the successful achievement of following milestones as specified in the projected business model: <ul style="list-style-type: none"> ○ Sector wise number of trainees trained ○ Financial performance as projected in proposed financial model ○ No of centres to be opened in Year 1 ○ Equipment wise Capex as projected in the proposed financial model ○ In case of non-adherence, NSDC reserves the right to recall the entire Certificate of Interest and terminate the partnership. 										

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	<ul style="list-style-type: none"> • Applicant to maintain separate books of accounts for the SBU used to implement NSDC project and submit audited accounts for SBU along with UC with NSDC for monitoring • Jagannath Gupta Memorial Educational Society to be made co-borrower with Jagannath University • NSDC funding should not be utilized to fund existing or future losses of the university. • Monitoring and validation of additional equipment to undertake the NSDC project
Pre Disbursement Conditions	Standard NSDC PDCs apply
* Applicant has proposed to provide charge on immovable property valued at Rs. 550.00 lakhs as per valuation report dated 11 th April, 2017 and situated at 570/2, Mundka, Delhi-110041.	

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6. Milestones

No. of students to be trained and placed

10/0/15

Sector	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Automotive	166	673	1058	1020	1105	1512	2040
Capital Goods	169	568	954	1176	1352	1536	1989
Construction	61	219	455	543	631	720	969
BFSI	61	219	457	498	586	672	918
Electronic	168	513	953	1176	1352	1536	2040
Media & Entertainment	122	421	727	882	1014	1152	1530
IT/ITES	61	253	455	543	631	720	969
Power	107	292	477	588	676	768	1020
Overall No of Trainees Trained per year	915	3158	5536	6426	7347	8616	11475
No of Trainees Trained (Cumulative)	915	4073	9609	16035	23382	31998	43473
No of Placement (70%)	640	2211	3875	4498	5143	6031	8033
No of centres	New	1	1	1	-	-	-
	Cumulative	1	2	3	-	-	-

Additional milestones as stipulated by PEC

Any subsequent funding in Year 2 to be done on the successful achievement of following milestones as specified in the projected business model:

- o Sector wise number of trainees trained
- o Financial performance as projected in proposed financial model
- o No of centers to be opened in Year 1
- o Equipment wise Capex as projected in the proposed financial model

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1. Disbursement and Utilization Schedule

(Rs. in lakhs)

Particulars	Year 1				Year 2				Year 3	Total
	2015	2016	2017	2018	2019	2020	2021	2022		
NSDC Loan	270.00	-	-	-	221.00	-	-	-	210.00	701.00
Promoter's Contribution	90.00	-	-	-	73.67	-	-	-	70.00	233.67
Total Sources of Funds	360.00	-	-	-	294.67	-	-	-	280.00	934.67
Capex Funding	265.62	-	-	-	250.77	-	-	-	266.79	783.18
Loss Funding	20.82	19.91	19.56	16.85	10.96	8.24	7.90	(4.73)	(18.65)	80.87
Working Capital Funding	73.56	(19.91)	(19.56)	(16.85)	32.94	(8.24)	(7.90)	4.73	30.86	70.62
Total Uses of Funds	360.00	-	-	-	294.67	-	-	-	280.00	934.67

Capital Expenditure Details on the Setting Up of Centers:

(Rs. In Lakhs)

Particulars	Year 1	Year 2	Year 3	Total
IT Infrastructure	30.18	23.78	23.78	77.74
Lab Equipment	200.78	213.85	229.88	644.52
Furniture & Fixture	28.71	8.66	8.66	46.02
Electric equipment	5.95	4.48	4.48	14.90
Total	265.62	250.77	266.79	783.18

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8. Repayment Schedule

(Rs. In lakhs)

Year	Qtr	Opening Balance	Repayment	Closing Balance	Interest Due	Interest Payment	Total Repayment	Annual Repayment
1	Q1	0.00	0.00	270.00	4.05	4.05	4.05	16.20
	Q2	270.00	0.00	270.00	4.05	4.05	4.05	
	Q3	270.00	0.00	270.00	4.05	4.05	4.05	
	Q4	270.00	0.00	270.00	4.05	4.05	4.05	
2	Q1	270.00	0.00	491.00	7.37	7.37	7.37	29.46
	Q2	491.00	0.00	491.00	7.37	7.37	7.37	
	Q3	491.00	0.00	491.00	7.37	7.37	7.37	
	Q4	491.00	0.00	491.00	7.37	7.37	7.37	
3	Q1	491.00	0.00	701.00	10.52	10.52	10.52	42.06
	Q2	701.00	0.00	701.00	10.52	10.52	10.52	
	Q3	701.00	0.00	701.00	10.52	10.52	10.52	
	Q4	701.00	0.00	701.00	10.52	10.52	10.52	
4	Q1	701.00	43.81	657.19	10.52	10.52	54.33	213.37
	Q2	657.19	43.81	613.38	9.86	9.86	53.67	
	Q3	613.38	43.81	569.56	9.20	9.20	53.01	
	Q4	569.56	43.81	525.75	8.54	8.54	52.36	
5	Q1	525.75	43.81	481.94	7.89	7.89	51.70	202.85
	Q2	481.94	43.81	438.13	7.23	7.23	51.04	
	Q3	438.13	43.81	394.31	6.57	6.57	50.38	
	Q4	394.31	43.81	350.50	5.91	5.91	49.73	
6	Q1	350.50	43.81	306.69	5.26	5.26	49.07	192.34
	Q2	306.69	43.81	262.88	4.60	4.60	48.41	
	Q3	262.88	43.81	219.06	3.94	3.94	47.76	
	Q4	219.06	43.81	175.25	3.29	3.29	47.10	
7	Q1	175.25	43.81	131.44	2.63	2.63	46.44	181.82
	Q2	131.44	43.81	87.63	1.97	1.97	45.78	
	Q3	87.63	43.81	43.81	1.31	1.31	45.13	
	Q4	43.81	43.81	0.00	0.66	0.66	44.47	
Total			701.00		177.10	177.10	878.10	878.10

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