

September 29, 2025

## MIT World Peace University: Rating reaffirmed

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Term loan	122.00	122.00	[ICRA]A (Stable); reaffirmed
Long-term Fund-based – Overdraft	60.00	60.00	[ICRA]A (Stable); reaffirmed
Long-term – Unallocated limits	3.00	3.00	[ICRA]A (Stable); reaffirmed
<b>Total</b>	<b>185.00</b>	<b>185.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The rating reaffirmation of MIT World Peace University (MITWPU) factors in the steady improvement in its scale of operations, aided by healthy admission levels in its flagship courses and its proven brand strength. MITWPU also enjoys healthy financial flexibility and operational and financial support with the Maharashtra Academy of Engineering & Educational Research (MAEER; rated [ICRA]A+ (Stable)) acting as its sponsoring body. Being a non-affiliated and self-financed university, MITWPU can decide its own course structure, examination pattern and fee structure, leading to high operational and financial flexibilities. MITWPU has been witnessing healthy occupancy across its key courses, with its flagship courses recording occupancy level of above 95%, thus lending adequate revenue visibility. The university's financial risk profile is also healthy, marked by a low gearing of 0.4 times as on March 31, 2025, and robust debt coverage indicators, with DSCR and an interest coverage of 7.3 times and 10.7 times, respectively, in FY2025 (as per provisional financials). ICRA expects MITWPU's financial risk profile to remain healthy in the near to medium term, aided by strong admission levels despite the ongoing capital expenditure (capex) plans of the company.

The rating, however, remains constrained due to relatively moderate scale of operations along with revenue concentration risk, with engineering courses generating about 38% of its total revenues in FY2025, while the management courses (postgraduate and undergraduate programmes) accounted for about 36%. Besides, the ability of the university to attract quality students, given the intense competition from other reputed public and private institutes in the country, while maintaining the high standard of its teaching staff remains essential. The rating also considers the inherent risk associated with the highly regulated education sector. The university, like other entities in the education sector, also remains exposed to the risk of cash flow mismatches, given the skewed nature of fee income.

The Stable outlook on the long-term rating reflects ICRA's opinion that the university will maintain a steady operational as well as financial risk profile, aided by healthy enrolments across key courses.

### Key rating drivers and their description

#### Credit strengths

**Strong parentage of MAEER; operational and financial support derived from the same** – The sponsoring body, MAEER (rated [ICRA]A+ (Stable)), is a well-known educational trust with an established presence since 1983 and has over 80 institutions under its aegis, providing education in diverse fields. The brand strength of MAEER extends benefits to MITWPU as well. ICRA expects MAEER to provide need-based funding support to MITWPU. MAEER has also provided infrastructure support to the university.

**Healthy financial risk profile** – Aided by increasing receipts, MITWPU’s financial profile has remained healthy, marked by a robust capital structure and healthy coverage indicators with a gearing of 0.4 times as on March 31, 2025, an interest cover of 10.7 times and DSCR of 7.3 times as on March 31, 2025 (as per provisional financials). MITWPU’s financial risk profile would remain healthy in the near to medium term, aided by strong admission levels. This would lead to a rise in scale and improvement in profits, thereby maintaining a comfortable credit profile despite the ongoing capex plans of the company.

**Increasing student strength lends adequate revenue visibility** – The total number of students for academic year (starts from July and ends in June) (AY) 2025 grew YoY by 11.2% to 24,455 and at a CAGR of 15% over the last five years. Moreover, the university has been witnessing healthy occupancy across its key courses, with its flagship courses recording occupancy level of above 95%, thus lending adequate revenue visibility.

**Non-affiliated and self-financed university status provide operational and financial flexibilities** – As it is a non-affiliated and self-financed university, MITWPU can decide its own course structure, examination pattern and fee structure, thus enhancing its operational and financial flexibilities. Besides, the university is authorised to collect full fees from the reserved category students as well and it does not depend on recovery of receivables from any Government body. Thus, the associated receivables risk remains minimal for the university.

### Credit challenges

**Requirement of continuous capex towards adding new courses and upgrading its infrastructure facilities** – MITWPU incurred capex of Rs. 478 crore between FY2023 and FY2025, mainly towards construction & renovation of buildings and land purchases. The university also has capex plans of around Rs. 100 crore in FY2026, of which Rs. 75 crore would be towards construction of buildings and renovation/repair of old buildings. The same will be funded through a mix of internal accruals and debt. Given the intense competition prevalent in the education segment, these investments are expected to continue over the medium term. The ability of the university to generate adequate returns on these investments will remain a key monitorable factor.

**Dependence on three institutes for bulk of revenue** – MITWPU has 24 institutes under its affiliation, but it derived about 74% of its total fee receipts in FY2025 from three institutes, viz., Faculty of Engineering, Faculty of Management (undergraduate) and Faculty of Management (postgraduate). These courses were transferred from MAEER during its inception in FY2018 and have an established track record of more than a decade under MAEER. Further, the scale of operations remains relatively moderate.

**Intense competition from other reputed public and private institutes** – MITWPU faces intense competition from other reputed public and private institutes of Pune and Mumbai. This puts pressure on attracting and retaining talented students and faculty members. Thus, the university’s ability to maintain healthy enrolment levels for all its course offerings will be a key rating sensitivity.

**Highly regulated sector, exposure to cash flow mismatch** – The university remains exposed to inherent risks associated with the highly regulated Indian education sector. The institutes are governed by various state and Central laws. Any adverse Government regulation may impact the revenues as well as operational growth. Besides, the university remains exposed to the risk of irregular fees payments, which in turn necessitate prudent cash flow management. The university’s fee receipts are largely aligned with its debt repayments. In addition, the university generally maintains free fixed deposits (stood at Rs. 40.2 crore, as on March 31, 2025), which provide additional comfort.

### Liquidity position: Adequate

MITWPU’s liquidity position is adequate, with healthy fund flow from operations, aided by increasing student strength. The university’s liquidity is also supported by free cash and bank balances and unencumbered fixed deposits aggregating to Rs. 59.53 crore and unutilised working capital limits of Rs. 68.0 crore as on March 31, 2025. Against this, the annual principal repayment obligations stand at Rs. 23.16 crore in FY2026 and FY2027. The university has a capex plan of about Rs. 100 crore in FY2026 that is expected to be funded by a 40:60 ratio of debt and internal accruals. Additionally, MITWPU arranges foreign

tours for eligible students each year, for which the provision is made in the first year of the course itself. An annual outgo of Rs. 15-25 crore is expected towards the study tour.

## Rating sensitivities

**Positive factors** – ICRA could upgrade MIT WPU’s rating if the university is able to significantly improve its revenues, along with diversification in revenue receipts, while maintaining its healthy credit profile. An improvement in the credit profile of MAEER will also be a positive rating factor.

**Negative factors** – Pressure on MIT WPU’s rating could arise if there is a significant decline in new admissions in its flagship institutes or if the total debt vis-à-vis the operating profit exceeds 2 times on a sustained basis due to large debt-funded capex. Weakening of the linkages with MAEER and/or a deterioration in the credit profile of MAEER would also be negative rating factors.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Higher Education</a>
Parent/Group support	Maharashtra Academy of Engineering and Educational Research (sponsoring body). ICRA expects MAEER to provide need-based funding support to MIT-WPU.
Consolidation/Standalone	The rating is based on the standalone financial statements of the rated entity.

## About the company

MITWPU, incorporated in May 2017, has been established under the Dr. Vishwanath Karad MIT World Peace University Act, 2016 (Mah. Act No. XXXV of 2017) in Kothrud, Pune. However, the campus was operational since 1983 and offered courses under MAEER. It offers courses across engineering, management, design, law, and journalism, among others. It has 22,001 students at its Kothrud campus, Pune in AY2023-24. The university is self-financed and is authorised to award degrees under Section 22 of the University Grants Commission Act, 1956. MAEER is the sponsoring body of the university.

## Key financial indicators (audited)

	FY2024	FY2025*
Operating income	609.8	686.0
PAT	47.8	128.8
OPBDIT/OI	12.8%	21.4%
PAT/OI	7.8%	18.8%
Total outside liabilities/Tangible net worth (times)	1.9	1.0
Total debt/OPBDIT (times)	1.7	0.8
Interest coverage (times)	6.7	10.7

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA’s calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	Sep 29, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund Based-Overdraft	Long Term	60.00	[ICRA]A (Stable)	Jun 14, 2024	[ICRA]A (Stable)	-	-	-	-
Fund Based-Term Loan	Long Term	122.00	[ICRA]A (Stable)	Jun 14, 2024	[ICRA]A (Stable)	-	-	Mar 27, 2023	[ICRA]A (Stable)
Unallocated-Unallocated	Long Term	3.00	[ICRA]A (Stable)	Jun 14, 2024	[ICRA]A (Stable)	-	-	Mar 27, 2023	[ICRA]A (Stable)

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – Term loan	Simple
Long-term Fund-based – Overdraft	Simple
Long-term – Unallocated Limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term Fund-based – Term loan	FY2024	NA	FY2031	122.00	[ICRA]A (Stable)
NA	Long-term Fund-based – Overdraft	NA	NA	NA	60.00	[ICRA]A (Stable)
NA	Long-term – Unallocated Limits	NA	NA	NA	3.00	[ICRA]A (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis: Not Applicable**

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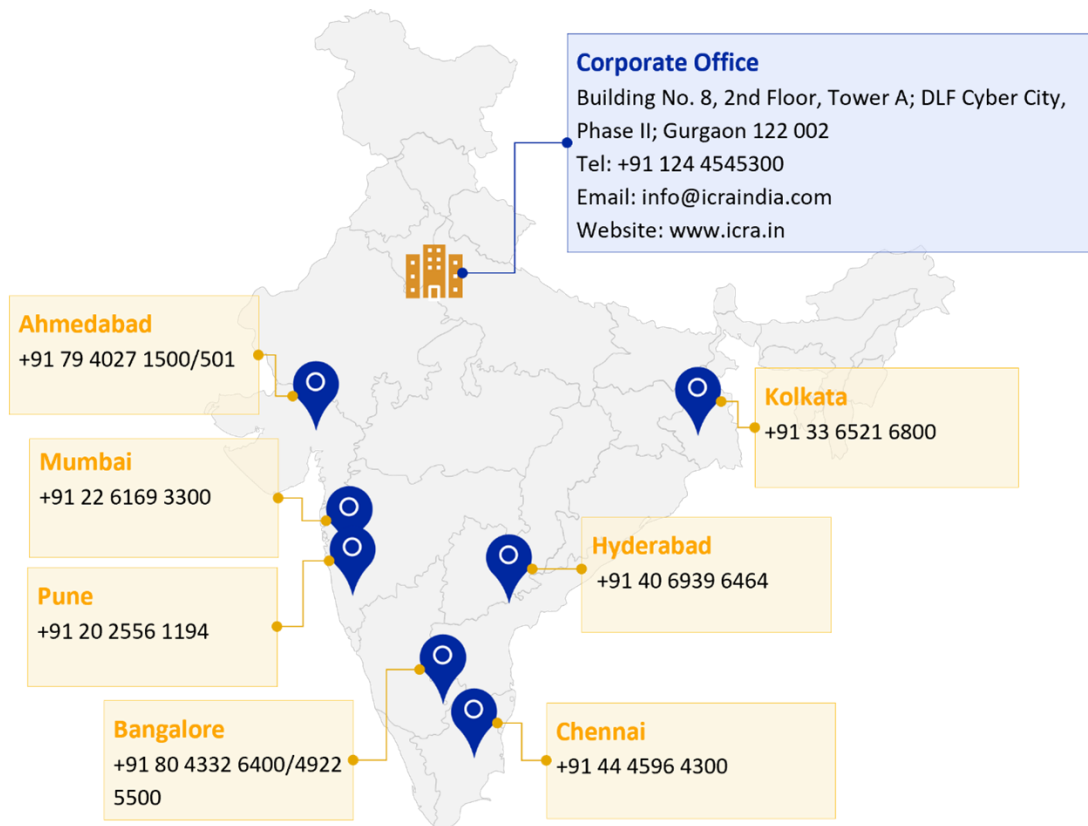
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