

November 13, 2025

MIT Art Design and Technology University: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based – Term loan	98.30	149.01	[ICRA]A (Stable); Reaffirmed and assigned for the enhanced amount
Long-term fund-based – Bank overdraft	35.00	30.00	[ICRA]A (Stable); Reaffirmed
Long-term – Unallocated amount	120.00	200.00	[ICRA]A (Stable); Reaffirmed and assigned for the enhanced amount
Long-term fund-based – Working capital demand loan	-	19.90	[ICRA]A (Stable); Assigned
Total	253.30	398.91	

*Instrument details are provided in Annexure-I

Rationale

The rating reaffirmation takes into consideration the steady increase in MIT Art Design and Technology University's (MIT ADT) revenue, supported by consistent rise in student strength, which is expected to sustain in the medium term. The entity reported a revenue growth of 22% in FY2025 over FY2024, with the university's scale of operations projected to grow year-on-year by 17-19% annually over the next three years, driven by a continuous increase in student strength and a hike in fees across most courses. Further, the overall credit profile of the university has strengthened in recent years, as reflected by comfortable debt protection metrics with interest cover likely to remain above 8.0 times over the medium term. The rating derives comfort from MIT ADT's brand strength as well as financial flexibility as part of the MIT Group, wherein Maharashtra Academy of Engineering & Educational Research (MAEER; rated [ICRA]A+/Stable) acts as a sponsor.

ICRA notes that MIT Art Design and Technology University is financially self-sufficient, capable of managing its operational expenses and meeting debt service obligations independently. Accordingly, no support is envisaged from MAEER over the medium term. However, MAEER being the sponsoring body, is expected to support MIT ADT in case of any need. The rating also factors in the strong reputation of the flagship institutes of MIT ADT, i.e., MIT Institute of Design (MITIOD), MIT School of Computing (MITSOC), MIT College of Management (MITCOM) and MIT School of Engineering Sciences (MITSOES). The liquidity position remains adequate, with healthy free cash and bank balance and liquid investments of Rs. 49.6 crore as on March 31, 2025. The average utilisation of the Rs. 30-crore overdraft facility for the trailing 12 months ended in July 2025 was 15%, indicating healthy availability of funds and buffer for any urgent cash flow requirements.

The rating, however, remains constrained by the university's dependence on four courses for the bulk of its revenues and profits, despite some increase in revenue from other institutes. Though the flagship institutes of the university have an established track record of more than a decade, most of the new courses were added over the last 3-4 years and have a limited track record. Consequently, the university's reliance on four flagship institutes/courses remained high, with these institutes/courses accounting for 76% of its revenues in FY2025. The rating also considers the inherent risks associated with the highly regulated education sector. Any adverse Government regulations may impact revenue growth and surplus. Further, its ability to attract high quality students, given the intense competition from other reputed public and private institutes in the country, while maintaining the quality of its teaching staff, will remain essential. The university remains exposed to the risk of irregular fees payments, which necessitate prudent cash flow management. Additionally, the university is undertaking a fresh debt-funded capex of around Rs. 364 crore during FY2026-FY2028, which exposes the university to execution risk as well as the risk of generating adequate benefits from these investments.

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, along with regular fee increases. Further, the outlook underlines ICRA's expectation that the university's capex and working capital requirements would be funded in a manner that it can durably sustain its debt coverage metrics commensurate with the existing rating, while maintaining adequate liquidity.

Key rating drivers and their description

Credit strengths

Growing scale and healthy operating metrics; comfortable financial risk profile – With the rise in student strength, the revenue receipts of the university have been continuously increasing during the last five financial years. In FY2025, the operating income grew by 22% to Rs. 401.0 crore, led by increase in student strength and fee hike. Going forward, the revenues are expected to increase further by 17-19% over the medium term, supported by an increase in the student base due to the start of new courses as well as growing popularity of existing courses. Moreover, the university is steadily increasing the fees of its key courses by around 7-8% on a yearly basis, which positively impacts the scale of operations. MIT ADT's capital structure remained robust as on March 31, 2025, with a gearing of 0.4 times and total outside liabilities to tangible net worth of 0.5 times. The coverage indicators also remain healthy with total debt to operating profit of 1.1 times and interest cover of 10.2 times in FY2025. Going forward, with steady growth in enrolments, the financial risk profile is expected to remain comfortable with total debt to tangible net worth below 0.5 times in FY2026.

Flexibility as a non-affiliated and self-financed university accredited as 'A' by NAAC – Being a non-affiliated and self-financed university, MIT ADT can decide its own course structure, examination pattern and fee structure, resulting in high operational and financial flexibilities. Further, the university is authorised to collect full fees from its reserved category students, and it need not rely on recovery of receivables from any Government body, which might get delayed. Thus, the associated liquidity risk remains minimal for the university. MIT ADT has recently been accredited with an 'A' grade by the National Assessment and Accreditation Council (NAAC), reflecting its academic quality. The accreditation is likely to strengthen the university's brand image, aiding in increased student enrolments across programmes, while bringing in additional sources of revenues.

Strong sponsor (MAEER); established track record of operations with improved enrolment rates – The sponsor, MAEER, is a well-known education trust with an established presence since 1983, through over 80 institutions across diverse fields. The brand strength of MAEER extends benefits to MIT ADT as well. Further, MAEER has provided a corporate guarantee to the existing debt facilities of MIT ADT. The rating derives comfort from MIT ADT's brand strength as well as financial flexibility as a part of the MIT Group, wherein MAEER (rated [ICRA]A+/Stable) acts as a sponsor. ICRA, meanwhile, notes that MIT ADT is financially self-sufficient, capable of managing its operational expenses and meeting its debt service obligations independently. Accordingly, no support is envisaged from MAEER over the medium term. However, in case of any urgent need or cash flow mismatches, ICRA expects MAEER to provide adequate and timely support to MIT ADT. The enrolment rates of MIT ADT's key institutes remain healthy at around 94%. Further, the trust has been witnessing increasing enrolments in its recently established institutes, such as the College of Management, School of Bio Engineering, School of Food Technology and School of Law & Justice, among others. The total student strength rose to 15,847 in AY2024-25 from 14,265 in AY2023-24.

Credit challenges

Course concentration risk with four institutes driving revenues and profits – MIT ADT has 20 institutes under its affiliation, but it derived around 76% of its total revenue from its top four institutes/courses, viz., MITSOC, MITIOD, MITCOM and MITSOES in FY2025. Also, Maharashtra Academy of Navel Engineering & Training (MANET) has been a flagship institute of the university. MITIOD and MANET were transferred from MAEER during their inception in FY2017 and have established track records of more than a decade. In AY2022-23, MITSOE was divided into two schools—namely, MITSOES and MITSOC—which drove about 8% and 38% of the university's revenues, respectively, in FY2025. The contribution from MITCOM has also been rising with about 11% of revenues in FY2025, while the revenue from MITIOD stood at 19% of the university's revenues. The revenue from other institutes remains minimal at present. Going forward, with growth in enrolments and stabilisation of new institutes such as

the School of Law & Justice and the introduction of Open and Distance Learning (ODL) courses, the revenue contribution is likely to increase in the medium term.

Intense competition from other reputed public and private institutes; highly regulated sector – MIT ADT faces intense competition from other reputed public and private universities in India, which places pressure on attracting and retaining talented students and faculty. The ability of the university to attract high quality students, while maintaining the quality of its teaching staff, will remain a key monitorable. Further, 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, and any adverse Government regulations may impact their revenues as well as operational growth.

Exposed to cash flow mismatch risks due to seasonal fee schedule; execution risks associated with the planned capex – The university remains exposed to the risk of irregular fees payments, which in turn necessitate prudent cash flow management. The university collects its fees at the start of each semester during July-August and December-January, while debt repayments and other operational expenses are paid monthly and quarterly. Nonetheless, unutilised overdraft limits of Rs. 30 crore as on July 31, 2025, and cash and bank and liquid investments of Rs. 34.5 crore as on March 31, 2025, provide comfort to an extent. Over the years, the university has maintained prudent financial management as well as adequate liquidity cushion to take care of any exigencies. Going forward, the university is undertaking a fresh debt-funded capex of around Rs. 364 crore during FY2026-FY2028, which exposes it to execution risk along with the risk of generating adequate benefits from these investments. Despite additional debt for its ongoing capex, the leverage metrics are expected to remain comfortable with TOL/TNW likely to remain below 1.0 times.

Liquidity position: Adequate

MIT ADT's liquidity is adequate, with healthy cash and bank balance of about Rs. 35 crore and liquid investments (in the form of FD reserves) of Rs. 14.62 crore, as on March 31, 2025. The average utilisation of the Rs. 30-crore overdraft facility for the trailing 12 months ended in July 2025 was 15%, indicating healthy availability of funds and buffers for any urgent cash flow requirements. The unutilised OD bank facility stood at Rs. 30 crore as on July 31, 2025. Aided by a steady increase in profits, the university's cash flow from operations is estimated to improve to Rs. 100-130 crore during FY2026-FY2028. The principal repayment scheduled for FY2026 and FY2027 amount to Rs. 36.0 crore and Rs. 32.2 crore, respectively. MIT ADT has capex plans of Rs. 364 crore over the next three years for setting up a new academic block, hostel and equipment, which is likely to be funded by a mix of debt and internal accruals. Overall, ICRA expects MIT ADT to comfortably meet its near-term commitments through internal accruals.

Rating sensitivities

Positive factors – The rating may be upgraded, if the university is able to significantly improve its revenues, along with material diversification in revenues, while maintaining its comfortable credit profile, on a sustained basis. An improvement in the credit profile of its sponsor, MAEER, will also be a positive rating factor.

Negative factors – Pressure on the rating could arise if there is any significant decline in student enrolments in its key institutes, or if the financial profile of MIT ADT weakens due to unanticipated large debt-funded capex or a stretch in working capital cycle leading to a deterioration in its liquidity. ICRA could also downgrade MIT ADT's rating, if there is any weakening of linkages with MAEER or a deterioration in the sponsor's credit profile.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Higher Education
Parent/Group support	ICRA expects MAEER to provide need-based funding support to MIT ADT. The rating is based on implicit support from MAEER, reflected in its infrastructure support as well as corporate guarantee for bank loans.
Consolidation/Standalone	The rating is based on the standalone financial statements of the rated entity.

About the company

MIT ADT, incorporated in June 2016, was established under the MIT Art, Design and Technology University Act, 2015. However, the campus became operational from 2004 and offered courses under MAEER, which is its sponsoring body. MIT ADT is Maharashtra's fifth private state university. At present, it offers various courses across arts, design and engineering to over 13,800 students at its Rajbaug campus, Loni Kalbhor, Pune. The university is self-financed and empowered to award degrees under Section 22 of the University Grants Commission Act, 1956.

Key financial indicators (Audited)

MIT ADT - Standalone	FY2024	FY2025
Operating income	328.0	401.0
PAT	43.3	82.7
OPBDIT/OI	22.4%	27.8%
PAT/OI	13.2%	20.6%
Total outside liabilities/Tangible net worth (times)	0.7	0.5
Total debt/OPBDIT (times)	1.5	1.1
Interest coverage (times)	6.2	10.2

Source: Company, ICRA research; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

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					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated crore)	Nov 13, 2025	Date	Rating	Date	Rating	Date	Rating
Overdraft	Long Term	30.00	[ICRA]A (Stable)	Sep 24, 2024	[ICRA]A (Stable)	Aug 10, 2023	[ICRA]A- (Positive)	Jun 23, 2022	[ICRA]A- (Stable)
Term loan	Long Term	149.01	[ICRA]A (Stable)	Sep 24, 2024	[ICRA]A (Stable)	Aug 10, 2023	[ICRA]A- (Positive)	Jun 23, 2022	[ICRA]A- (Stable)
Unallocated limits	Long Term	200.00	[ICRA]A (Stable)	Sep 24, 2024	[ICRA]A (Stable)	Aug 10, 2023	[ICRA]A- (Positive)	Jun 23, 2022	[ICRA]A- (Stable)
Fund-based-Working capital demand loan	Long Term	19.90	[ICRA]A (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term loan	Simple
Bank overdraft	Simple
Unallocated	Not Applicable
Working capital demand loan	Simple

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	Fund-based – Term loan	Apr-2022	NA	Mar-2035	149.01	[ICRA]A (Stable)
NA	Fund-based – Bank overdraft	NA	NA	NA	30.00	[ICRA]A (Stable)
NA	Long-term – Unallocated amount	NA	NA	NA	200.00	[ICRA]A (Stable)
NA	Working capital Demand Loan	May-2022	NA	Mar-2027	19.90	[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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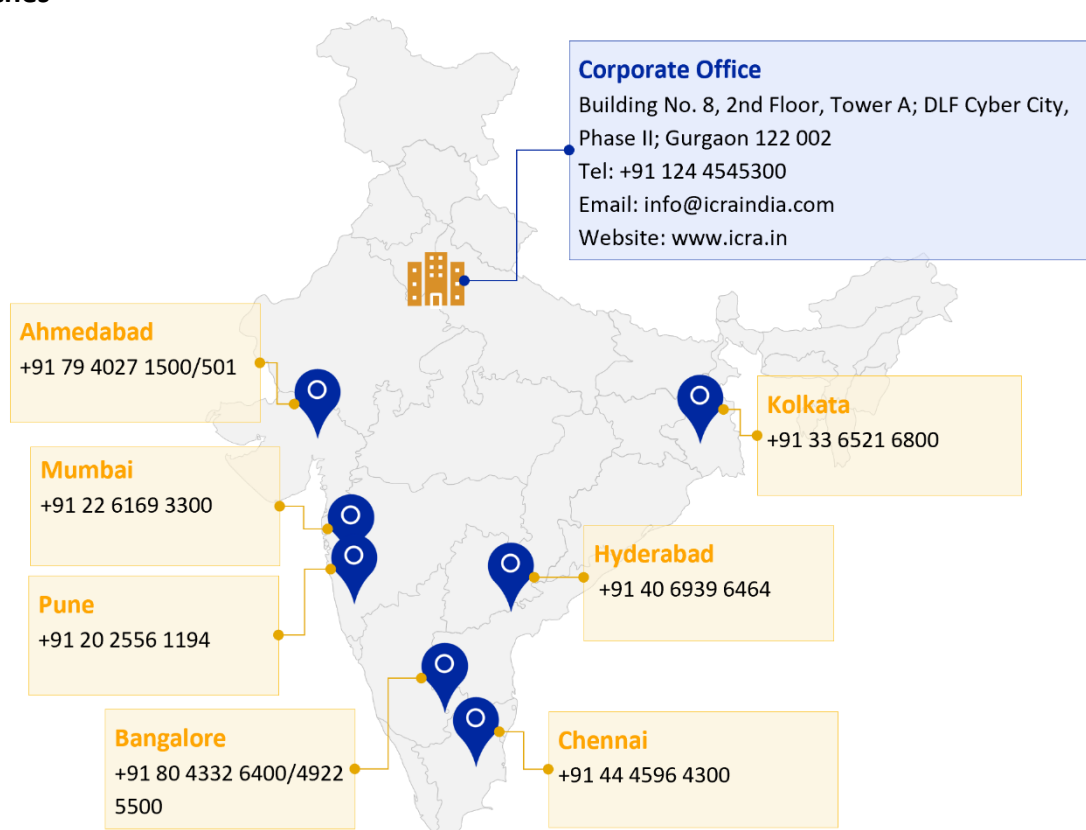
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