

Centurion School of Rural Enterprise Management Trust

September 04, 2025

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	-	-	Rating removed from ISSUER NOT COOPERATING category; Reaffirmed at CARE BBB-; Stable and Withdrawn

Details of facilities in Annexure-1.

Rationale and key rating drivers

Centurion School of Rural Enterprise Management Trust (CSREM) had not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings had revised ratings assigned to bank facilities of the trust to 'CARE BBB-; Stable; ISSUER NOT COOPERATING'. However, the trust has now paid the fees. Accordingly, CARE Ratings has carried out a review and rating had been revised to 'CARE BBB-; Stable'.

Further, CARE Ratings Ltd. has reaffirmed and withdrawn the outstanding rating of 'CARE BBB-; Stable' [Triple B Minus; Outlook: Stable] assigned to the bank facilities of CSREM with immediate effect. The above action has been taken at the request of CSREM and 'No Objection Certificate' received from the bank that has extended the facilities rated by CARE Ratings Ltd.

The reaffirmation of the rating assigned to the bank facilities of Centurion School of Rural Enterprise Management Trust (CSREM) draws strength from its experienced management team with a long track record in education industry, satisfactory financial performance in FY25 (Prov.) (refers to April 01 to March 31), satisfactory capital structure and debt coverage indicators, status of Private University with diverse course offering and experienced faculty albeit moderate student-faculty ratio.

The above strengths are partially offset by high debt funded capital expenditure for setting up of educational infrastructure for launching of various courses and expansion of existing courses, elongated average collection period, intense competition and regulated nature of the education industry.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings believes that the entity shall sustain its satisfactory financial and operational performance, with ongoing capex not having significant impact on the credit risk profile over the medium term.

Detailed description of key rating drivers:

Key strengths

Long operational track record with experienced management team

The trustees, Professor Mukti Kanta Mishra and Professor D.N. Rao have around three decades of experience in the education and development sectors, and a vast network across NGOs and gram panchayats. The trust carries out skill programs, bringing in industry partnerships for joint skill programs, qualification pack (QP)/national occupational standards (NOS) alignment with sector skill councils (SSCs) & skills integration with Centurion University of Technology and Management (CUTM) and Centurion University of Technology and Management Andhra Pradesh (CUTMAP), program implementation such as mobilization, centre setup, training, placement, post placement support, etc.

Status of private University with diverse course offering

CUTM, a private State University, was formed by an Act of the Odisha Legislative Assembly in 2010 while CUTMAP, a private State university, was formed by an Act of the Andhra Pradesh Private Universities in 2017. The status of being a private university makes the management relatively free to take vital decisions like curriculum, fees, capacity, etc. CSREM manages three colleges and offers engineering, management, commerce, mass media, pharmacy, paramedic & allied health sciences and polytechnic courses. All the courses are affiliated to CUTM and CUTMAP.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications

Experienced faculty albeit moderate student-faculty ratio

There are 326 teaching staffs including laboratory staff at CSREM across different streams. The faculties are alumni of reputed educational institutes and are well experienced in their respective fields of study. The institute has a stringent faculty selection criterion, and a minimum of master's degree is required to apply for a position. The student-faculty ratio remained moderate at 28:1.

Satisfactory financial performance in FY25

The total operating income (TOI) of the trust has improved from Rs.116.10 crore in FY24 to 132.66 crore in FY25 on account increase in student enrolment along with increase in fees structure. However, SBILDT margin has moderated from 31.41% in FY24 to 30.92% in FY25 on account of increase in operational cost.

Satisfactory capital structure and debt coverage indicators

The capital structure of the trust continues to remain satisfactory with overall gearing ratio improving from 0.62x as on March 31, 2024 to 0.49x as on March 31, 2025. The improvement is on account of accretion of profits to reserves.

Debt protection metrics marked by TDGCA has improved from 2.33x as on March 31, 2024, to 1.97x as on March 31, 2025. Interest coverage ratio has remained stable at 6.13x in FY25 (PY: 6.37x). The slight moderation is on account of increase in interest expense.

Key Rating Weaknesses

Project implementation risk associated with setting up of educational infrastructure

The trust is constructing an additional hostel at the Bhubaneswar campus, with a total estimated cost of approximately ₹23 crore. Till November 30, 2024, the trust has incurred ₹15 crore, with an additional ₹8 crore to be spent over the next two years. The project will be completed in two phases: Phase 1 is expected to be completed by FY25, while Phase 2 is anticipated to be completed by FY27. Besides the hostel, the trust is planning to construct a pavilion for the cricket ground, a powerhouse, and other minor capital expenditures such as lab equipment, machinery, furniture, and vehicles. No further loan will be availed, and all cost would be funded from internal accruals.

Elongated collection period on account of collection structure

The tuition fees for the courses are collected in two instalments during the academic year from July to June. The first instalment of 50% is due in June and July, while the second instalment of 50% is due in January and February. Every year, around 20% of the student pay the instalment due in January-February in the months of April-May. This results in higher year-end receivables, leading to average collection period of 64 days in FY25 (83 days in FY24).

Intense competition and regulated nature of the industry

Despite the increasing trend of privatization of education sector in India, regulatory challenges continue to pose a significant risk to private educational institutions as they are highly susceptible to changes in regulatory framework. CUTM, although a private university, is required to follow regulations regarding course offerings, curriculum, examinations, seat allocation, selection criteria, etc. The affiliations have to be renewed each year and delay in doing so might affect execution of expansion plans. This limits the scope of these colleges and schools in terms of growth in capacity and therefore its revenue.

Liquidity: Adequate

The trust has an adequate liquidity profile marked by it earning GCA of ₹36.66 crore vis-à-vis debt repayment obligation of ₹4.80 crore in FY25. The free cash and bank balance as on March 31, 2025, stood at ₹35.80 crore which remain high on account of fee collection during the period of February and March. Given healthy enrolment rate and steady collections, the overall liquidity is expected to remain adequate for servicing its overall debt over the medium term. Current ratio stood at 2.81 times as on March 31, 2025.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Education](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Service Sector Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Services	Other Consumer Services	Education

CUTM, a private State University, was formed by an Act of the Odisha Legislative Assembly in 2010 while CUTMAP a private State University, was formed by an Act of the Andhra Pradesh Private Universities in 2017. The university includes School of Management, School of Engineering & Technology, School of Vocational Education and Training, School of Architecture Planning & Design, School of Applied Science, School of Humanities & Social Science, MS Swaminathan School of Agriculture, School of Media Communication, School of Mines, School of Pharmacy & Life Sciences, School of Paramedics and Allied Health Service, Institute of Knowledge and Societies and PhD courses.

CSREM, a constituent of CUTM, founded in the year 2007 (migrated to CUTM in the year 2010) by Prof. (Dr) Mukti K. Mishra and Prof. Dechiraju Narasimha Rao, manages three colleges in Jatni (Bhubaneswar) and Vizianagaram (registered under CUTM AP), and Balasore offering engineering, management, commerce, mass media, pharmacology and polytechnic courses.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	116.10	132.66
PBILDT	36.47	41.01
PAT	20.18	22.21
Overall gearing (times)	0.62	0.49
Interest coverage (times)	6.37	6.13

A: Audited; Prov.: provisional; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	April 2034	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	-	-	1)CARE BBB-; Stable; ISSUER NOT COOPERATING* (05-May-25) 2)CARE BBB-; Stable (04-Sep-25)	1)CARE BBB-; Stable (09-Jan-25)	1)CARE BBB-; Stable (27-Mar-24)	1)CARE BBB-; Stable (14-Mar-23)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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