

## Chetana Education Limited

December 05, 2025

Facilities	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term / Short Term Bank Facilities	30.00	CARE BBB-; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The ratings assigned to Chetana Education Limited (CEL) derive strength from the extensive experience of its promoters in the K-12 publishing space, its long operating track record and established author–distributor network. The ratings also factor in its comfortable financial risk profile marked by low gearing and healthy coverage indicators, aided by equity infusion from the IPO and the asset-light nature of operations.

However, the ratings are constrained by its moderate scale of operations, regional concentration with a major share of revenue originating from Maharashtra (~50%), and a working capital–intensive business model, reflected in an elongated operating cycle and negative cash flow from operations in FY25 (FY refers to April 01 to March 31). The company also operates in a highly competitive and fragmented publishing industry, which limits pricing flexibility.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Growth in scale of operations with total operating income above Rs.150 crore while maintaining healthy profitability.
- Sustenance of financial risk profile with augmentation of net worth base over Rs.100 crore.

#### Negative factors

- Significant decline in scale of operations along with PBILDT margin below 15% on a sustained basis.
- Deterioration of capital structure with overall gearing above 1x on a sustained basis.

#### Analytical approach: Consolidated

DIJAA Education Private Limited (DIJAA) is a wholly owned subsidiary of CEL. DIJAA is a digital content-focused company that offers a personalised educational OTT platform and is under a common management team.

CARE has analysed CEL's credit profile by considering the consolidated financial statements of the company owing to financial, business, and operational linkages between the parent and the subsidiary. The details of the subsidiaries and associates which have been consolidated as on March 31, 2025, mentioned in annexure 6.

#### Outlook: Stable

Stable outlook indicates CareEdge Ratings' expectations that CEL will benefit from the experience of promoters, an established track record of operations and its entry into the Edtech business through its subsidiary over the medium term.

### Detailed description of key rating drivers:

#### Key strengths

##### Extensive experience of Promoters

The promoters of Chetana Education Limited (CEL) possess long-standing experience in the academic publishing industry. Mr. Anil J. Rambhia and Mr. Rakesh J. Rambhia together have over three decades of experience across content development, distribution network building, and strategic management of the publishing business. Their domain expertise, established relationships with authors, schools and distributors, and demonstrated track record in scaling the company's operations provide comfort for the overall business profile.

##### Established track record of operations

CEL benefits from established operational capabilities supported by a wide content portfolio of more than 700 titles and strong relationships with over 400 authors and over 500 distributors. Its well-developed distribution network across Maharashtra and 17 other states provides stable demand visibility. The company follows an asset-light, outsourced printing model, enabling operational flexibility and efficient cost management. Digital and audio formats offer higher margin potential and business diversification; however, revenue contribution remains modest at present and scale-up visibility will be monitored.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Comfortable financial risk profile**

CEL maintains a comfortable capital structure, reflected in its low overall gearing, which has remained below 0.30x in FY25, supported by an initial public offering in FY25 and limited dependence on external borrowings. With total debt forming a small proportion of the balance sheet and the business following an asset-light model, CEL's debt coverage indicators remain robust, with TD/GCA of 1.57x and interest coverage of 9.20x in FY25 even under peak working-capital usage. The comfortable capital structure provides CEL with adequate financial flexibility to fund its growth initiatives, including expansion of its OTT and digital content platforms.

**Key weaknesses****Moderate scale of operations owing to regional presence**

Despite healthy growth, CEL's scale of operations remains moderate, with TOI of ₹102.48 crore in FY25 compared to ₹93.54 crore in FY24, which is relatively small compared to larger players in the education services and content development space. The company's scale is further constrained by its regional concentration in Maharashtra (~50%) and dependence on a limited product portfolio, primarily K-12 books and test-prep material. While CEL has been expanding into digital initiatives and stationery business, these verticals are still in a nascent stage and contribute only marginally to the overall topline. At the current scale, the company's bargaining power with distributors remains moderate and operational resilience may be tested in demand fluctuations.

**Working capital intensive business**

CEL continues to operate with a high working-capital requirement, inherent to the academic publishing model. The operating cycle elongated to 334 days in FY25 compared to 275 days in FY24, driven by inventory of 172 days ahead of academic dispatches and receivables of 210 days due to credit to distributors and schools. Given the seasonality, production and stocking peak before the academic year, while cash realisation is backend-loaded, resulting in funds being absorbed in debtors and stock rather than converting into cash flows. Old receivables beyond six months also contribute to lengthening the cycle. The stretched working-capital profile remains a key rating constraint, evidenced by negative CFO in FY25 despite profitability, making improvement in receivable discipline and inventory turnover critical for liquidity comfort at the current rating level.

**Presence in highly competitive publishing industry**

CEL operates in a highly competitive and fragmented education publishing and content development industry, marked by the presence of regional players and established national publishers. The sector has relatively low entry barriers, and competition is primarily driven by pricing, curriculum alignment, institutional relationships, and the ability to frequently refresh and update content. These factors constrain pricing flexibility and exert pressure on margins. However, CEL's introduction of QR-enabled digital content provides differentiated offerings and selective price improvements, partially mitigating competitive intensity. While CEL has an established regional presence and long-standing relationships with institutions, its scale remains modest compared to larger players, making competition a continued challenge.

**Liquidity: Adequate**

CEL's liquidity position remains adequate, supported by healthy cash accruals and moderate utilisation of working capital limits. Against negligible debt repayment, CEL had cash accruals of ₹14.19 crore in FY25. Utilisation of fund-based limits remained low at 24% for the past 12 months ending September 2025. The current ratio was comfortable at 3.04x in FY25, reflecting a well-managed short-term financial position. Funds raised via initial public offerings in July 2024 coupled with Low repayment obligations and limited capital expenditure requirements provide additional liquidity comfort.

**Applicable criteria**[Consolidation](#)[Definition of Default](#)[Liquidity Analysis of Non-financial sector entities](#)[Rating Outlook and Rating Watch](#)[Financial Ratios – Non financial Sector](#)[Manufacturing Companies](#)[Short Term Instruments](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Media, Entertainment & Publication	Printing & Publication	Printing & Publication

Chetana Education Limited is a Mumbai-based K-12 educational content provider engaged in publishing curriculum-aligned textbooks, workbooks, and supplementary learning material for CBSE and State Boards. The company offers a catalogue of over 700 titles across 15 brands, catering primarily to schools through a widespread dealer-based distribution network of over 500 channel partners. CEL has also introduced digital and audio-based learning products, which offer higher margin potential but currently form a small portion of revenue.

Consolidated financials:

Brief Financials (₹ crore)	March 31, 2024 (UA)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	93.54	102.48	58.56
PBILDT	20.86	21.45	13.79
PAT	12.97	13.56	9.41
Overall gearing (times)	2.09	0.28	0.06
Interest coverage (times)	5.74	9.20	19.70

A: Audited UA: Unaudited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** ICRA has placed ratings assigned to the bank facilities of CEL in "Issuer Not co-operating" category vide press release dated December 01, 2025, on account of non-submission of no default statement.

**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 instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/Non-fund-based-LT/ST		-	-	-	30.00	CARE BBB-; Stable / CARE A3

### 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/Non-fund-based-LT/ST	LT/ST	30.00	CARE BBB-; Stable / CARE A3				

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

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based/Non-fund-based-LT/ST	Simple

**Annexure-5: Lender details**

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

**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	DIJAA Education Private Limited	Full	100% subsidiary

**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](mailto:care@careedge.in) for clarifications.

## Contact Us

<b>Media Contact</b>  Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	<b>Analytical Contacts</b>  Ujjwal Manish Patel Director <b>CARE Ratings Limited</b> Phone: +91-079-4026 5649 E-mail: <a href="mailto:ujjwal.patel@careedge.in">ujjwal.patel@careedge.in</a>
<b>Relationship Contact</b>  Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a>	Anup Nandkumar Purandare Assistant Director <b>CARE Ratings Limited</b> Phone: +91-020-4000 9018 E-mail: <a href="mailto:anup.purandare@careedge.in">anup.purandare@careedge.in</a>
	Harsh Shah Lead Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Shah.Harsh@careedge.in">Shah.Harsh@careedge.in</a>

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**