

Pacific Medical University

March 16, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	75.04	CARE BB+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	20.50	CARE BB+; Stable / CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Pacific Medical University continue to remain constrained on account of past instances of delays in debt servicing, its presence in a highly regulated and competitive education sector. Ratings also take cognisance of continuous capex requirements in the sector for facility augmentation / upgradation, which restricts the free cash flows and ongoing matter in high court regarding cancellation of additional 100 MBBS seats, the final verdict of which shall be crucial from credit rating perspective.

The ratings, favourably factor in its experienced promoters in education sector, moderate scale of operations though there is a variation between FY25 (Audited) financials (referring to the period from April 01 to March 31) and FY25 provisional financials considered during the previous review, comfortable capital structure and debt coverage indicators, adequate liquidity and favourable prospects of the education sector in India.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Maintenance of SBILDT margin of above 35% on a sustained basis
- Build up of liquidity (free cash & Bank balance) to the tune of Rs.30 cr. and above

Negative factors

- Any delay in receipt of fees from student which results in elongation in operating cycle
- Deterioration of profitability margin with SBILDT margin below 25% on sustained basis

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings expectations that the university will continue to benefit from vast experience of the promoters in education industry and sustain its moderate financial risk profile

Detailed description of key rating drivers:

Key weaknesses

Highly regulated education industry with regard to approvals and accreditations though demand prospects remain good

The higher education in India is placed in the concurrent list of the constitution and thus comes under the purview of both Central and State Government. The sector is regulated by Ministry of Human Resources at the national level and by the education ministries in each state, as well as by Central bodies like University Grant Commission (UGC) and 14 other professional councils like All India Council of Technical Education (AICTE), Directorate of Technical Education (DTE), etc. The operating and financial flexibility of the higher education sector are limited, as regulations governs almost all aspects of operations, including fee structure, number of seats, changes in curriculum and infrastructure requirements. Further, each Institution offering a Post Graduate or an Under Graduate Technical Program are required to submit an application to the AICTE council, every year for extension of approval of courses offered by the Institution. Any delay or rejection of approval request may result into under-achievement of projected revenue streams. PMU being in the education sector is also highly regulated by the norms of governing bodies. These regulations on operations of PMU could put limitation on the revenue growth of PMU. However, India has the largest population in the world providing good demand prospects in education sector.

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

Past track record of delays in interest and principal debt servicing

University had instances of delays in principal and interest servicing from 2019 till March 2023. It subsequently fully repaid the earlier facilities with no outstanding balance. Post sanction of facilities from new lender in April 2023, account has been regular with no delays in debt servicing. Past delays were mainly due to mismatches in cash flows, owing to high collection period and periodic collection of fees, heavy capex incurred towards Post Graduate course infrastructure and medical equipment and utilisation of funds for repayment of unsecured loans.

Key strengths**Experienced promoter group in the education sector**

PMU is sponsored by Tirupati Balaji Education Trust (TBET), which is part of Pacific group (PG) of Udaipur. TBET is managed by Mr B R Agarwal (founder chairman of Pacific Group) and his family. The promoter group has experience of managing five other trusts/societies besides TBET for more than past one decade. Mr Rahul Agrawal, son of Mr B R Agarwal is the chairperson of PMU and looks after overall functioning of the university along with a team of 12 members in the board of management. Furthermore, PMU has a team of highly qualified and well experienced professionals. PG also manages other trusts/societies which offer courses in varied fields including pharmacy, dental, engineering, management, education, medical science, media and mass communication, information technology, hospitality, and fashion technology among others. It also manages Global Health Research and Management Institute which operates medical college and hospital (750 beds) under the name of Pacific Institute of Medical Sciences with intake capacity of 250 seats for MBBS and PG intake capacity of 150 seats at Udaipur. In FY14, PMU was promulgated as a private university, university status reduces various operating restrictions like, conducting of examinations and formulation of course curriculum.

Growth in scale of operations and healthy surplus margin

The scale of operation of the university registered growth of 14.8% y-o-y in FY25 and stood at Rs.401.91 cr. (Rs.351.01 cr. in FY24), with increase no. of students of MBBS and PG courses with increase in intake capacity of both courses in FY25. However, there is deviation in of ~11% in Total Operating Income (TOI) and 42% in Gross cash accruals (GCA) in audited vs provisional financials for FY25. In FY25, PMU registered TOI of Rs.401.19 cr. as against Rs.451.75 cr. provisional financials considered during last review, as for PG students, out of 150 students, 53 students batch commenced from March 27, 2025 and remaining 97 students batch commenced from April 05, 2025 (CFY), due to which in FY25 fee received of PG students was only of 53 students instead of considered for 150 students during provisional financials. With this PMU is expected to register around Rs.600 cr. in FY26.

SBILD margin remained healthy at 22.89% in FY25 though moderated from 29.15% in FY24 with increase in employee costs. The Gross Cash Accruals (GCA) of the university also stood comfortable at Rs.93.51 crore in FY25 (P.Y: Rs.101.04 crore), though the same were significantly lower as compared to Rs.163.35 crore considered as per FY25 provisional numbers, during last review. There has been ongoing litigation in High Court regarding additional 100 seats for MBBS program for which college has already taken admissions during AY25 (Admission Year; September to August). The final verdict is pending and shall be crucial from credit rating perspective.

Comfortable capital structure and debt coverage indicators, though with sizeable capex requirement

The capital structure of the university stood comfortable marked by overall gearing of 0.15x as on March 31, 2025 (0.12x in FY24). As on March 31, 2025, total debt of the university stood at Rs.75.34 cr. comprising mainly term loan and unsecured loans. However, the education segment entails continuous capex requirements, which results in restricted free cash flows. University undertook a capex of Rs.89 cr. in FY25 which included build-up of various amenities such as staff quarter, hospital equipments, furniture, vehicles and other equipments. University took additional term loan of Rs.15 cr. in FY25 for above mentioned capex. Further, it undertook capex of around Rs.95 cr. in current year towards hostel building, furniture, plant & machinery and medical equipments. Debt coverage indicators stood comfortable with total debt/GCA and interest coverage of 0.81 times (0.50 times in FY24) and 11.61 times (16.76 times) respectively as on March 31, 2025. Also, the net-worth base of the university improved and stood healthy at Rs.501.91 crore as on March 31, 2025 (P.Y: Rs.435 crore).

Liquidity: Adequate

Liquidity remains adequate with adequacy of cash accruals against the repayment obligations and moderate operating cash flows. The fees realisation structure of colleges is quarterly. Majority college fees are realised in June, September, December, and March. The entire revenue receipts of the colleges are concentrated in few months, but its operating expenses are spread evenly throughout the year. The university's operating cycle stood at 24 days (56 days in FY24) improved with reduction in receivables days. Average utilisation of working capital bank borrowings stood high at 95% in last 12 months ended February 2026. The university has generated positive cash flow from operating activities of ₹63.06 crore in FY25 (PY: ₹47.72 crore), however year-end free liquidity of the university remained constrained.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Education](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

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

Udaipur (Rajasthan) based PMU is a private university established in September 2014. PMU is sponsored by Tirupati Balaji Education Trust (TBET). Presently, PMU runs a medical college and hospital under the name 'Pacific Medical College & Hospital' (PMCH). The hospital was started post completion of construction in July 2013; while the academic session in medical college commenced from September 2014 post receipt of approval from Medical Council of India (MCI). The university during FY17 started courses including BSc (nursing), BSc (paramedical), MSc (medical science), MSc (nursing), General Nursing and Midwifery (GNM). It started PG course also since 2020 and the university takes admission in MBBS and BDS course on the basis of national eligibility cum entrance test (NEET) while admissions in nursing, para-medical and medical science are taken on the basis of merit.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26 (Prov.)
Total operating income	349.48	401.19	365.07
SBILD ^T *	101.87	91.83	151.02
Surplus)	78.03	66.94	177.59
Overall gearing (x)	0.12	0.15	NA
Interest coverage (x)	16.76	11.61	NA

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

*PBILD^T: Profit before interest, lease rentals, depreciation and tax

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 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 - LT-Bank Overdraft		-	-	-	5.00	CARE BB+; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	20.50	CARE BB+; Stable / CARE A4+
Term Loan-Long Term		-	-	April 2028	70.04	CARE BB+; Stable

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 D (04-Apr-23) 2)Withdrawn (04-Apr-23)	1)CARE D (02-Aug-22)
2	Fund-based - LT-Mortgage Loan facility/ Asset backed financing	LT	-	-	-	-	1)CARE D (04-Apr-23) 2)Withdrawn (04-Apr-23)	1)CARE D (02-Aug-22)
3	Term Loan-Long Term	LT	70.04	CARE BB+; Stable	1)CARE BB+; Stable (07-Jul-25)	1)CARE BB; Stable (02-Jul-24)	1)CARE BB-; Stable (22-Aug-23)	-
4	Fund-based - LT-Bank Overdraft	LT	5.00	CARE BB+; Stable	1)CARE BB+; Stable (07-Jul-25)	1)CARE BB; Stable (02-Jul-24)	1)CARE BB-; Stable (22-Aug-23)	-
5	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	20.50	CARE BB+; Stable / CARE A4+	1)CARE BB+; Stable / CARE A4+ (07-Jul-25)	1)CARE BB; Stable / CARE A4 (02-Jul-24)	-	-

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 - LT-Bank Overdraft	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple
3	Term Loan-Long Term	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.

Contact us

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