

Press Release

North East Paramedical Nursing Institute

November 19, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 10.00 Cr.
Long Term Rating	ACUITE B / Outlook: Stable

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE B**' (read as **ACUITE B**) to the Rs. 10.00 crore bank facilities of North East Paramedical Nursing Institute (NEPNI). The outlook is '**Stable**'.

NEPNI is a non-profit making Institution run by NEPNI TRUST, which is a public charitable trust established in 2006. The institute is located in Assam. Under the educational services, NEPNI Trust initiated the School of Nursing with 3 years General Nursing and Midwifery (GNM) and 2 years Auxiliary Nurse Midwifery (ANM) Nursing courses which is recognised by the Indian Nursing Council, New Delhi, Assam Nursing Council and approved by the Health Department, Govt. of Assam. There is total intake capacity of 200 students with 100 percent occupancy.

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of North East Paramedical Nursing Institute to arrive at the rating.

Key Rating Drivers

Strengths

- **Established track record of operations**

NEPNI was established in 2006 as an educational institution which offers nursing training. The trust is promoted by Dr. Syed Burhan Uddin, and Mr. Babul Ali. The institute has a track record of operation for more than a decade.

Weaknesses

- **Debt funded capex plan**

Trust has a capex plan of about Rs.12.00 crore for setting of NEPNI School of Nursing permanent premises. The said capex is expected to be funded by debt of Rs.8.20 crore and the balance from internal accruals and corpus of Rs.3.80 crore. Also, completion of the project within the stipulated timelines and expected cost would also be a key credit monitorable.

- **Intense competition**

The institute faces intense competition from other private and government institutions offering similar courses. Given the competition, the ability of the institutes to attract requisite students in tune with its sanctioned intake would be a challenge.

Outlook: Stable

Acuite believes that the outlook on NEPNI's rated facility will remain 'Stable' over the medium term on account of its track record of operation. The outlook may be revised to 'Positive' if the trust achieves better than expected growth in revenues and student strength. Conversely, the outlook may be revised to 'Negative' in case of decline in capital structure leading to deterioration in the financial risk profile.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	2.88	2.63	2.05
EBITDA	Rs. Cr.	1.09	0.93	0.23
PAT	Rs. Cr.	1.09	0.93	0.22
EBITDA Margin	(%)	37.73	35.33	11.27
PAT Margin	(%)	37.65	35.16	10.80
ROCE	(%)	43.88	69.02	52.40
Total Debt/Tangible Net Worth	Times	0.09	-	-
PBDIT/Interest	Times	422.83	209.23	136.59
Total Debt/PBDIT	Times	0.23	-	-
Gross Current Assets (Days)	Days	42	10	13

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-8.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE B / Stable

Contacts

Analytical	Rating Desk
<p>Pooja Ghosh Head - Corporate and Infrastructure Sector Ratings Tel: 033-6620 1203 pooja.ghosh@acuite.in</p> <p>Debalina Maity Analyst - Rating Operations Tel: 033-66201212 debalina.maity@acuite.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: *An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.*