

## Press Release

### North East Paramedical Nursing Institute

November 19, 2018



#### Rating Assigned

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

\* Refer Annexure for details

#### Rating Rationale

Acuité 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

Acuité 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

Acuité 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

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### **About Acuité Ratings & Research:**

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